Develop Marketing Sub Strategy
2005-2010

Final Report

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JORDAN
MARKETING SUB-STRATEGY

2005 - 2010

A strategic approach to marketing Jordan

August 2004

CONTENTS

Appendices

Acronyms used in this report

AF	Africa
AM	Americas
AP	Asia Pacific
ASEZA	Aqaba Special Economic Zone Authority
EU	Europe
FIT	Free individual travel
GDP	Gross Domestic Product
GNP	Gross National Product
JHA	Jordan Hotel Association
JTB	Jordan Tourism Board
ME	Middle East
MENA	Middle East North Africa
MoTA	Ministry of Tourism & Antiquities
NA	North Africa
n/a	Not available / not applicable
NS	Not stated
NTS	National Tourism Strategy
OECD	Organisation for Economic Co-operation and Development
RJ	Royal Jordanian
TCE	International tourist arrivals at collective tourism establishments
TF	International tourist arrivals at frontiers (excluding same day visitors)
THS	International tourist arrivals at hotels and similar establishments
UAE	United Arab Emirates
VF	International tourist arrivals at frontiers (including tourists and same day visitors)
VFR	Visiting Friends and Relations
WTO	World Tourism Organisation

For WTO data

..	figure or data not (yet) available
*	provisional figure or data

1. EXECUTIVE SUMMARY

The world's largest industry, tourism, is an important sector in Jordan employing over 21,000 people and accounting for nearly 8% of GDP in 2000.

Since the mid 1990s, although both tourist numbers and tourism revenue increased, the underlying trends have been negative.

Jordan has underperformed on many levels by comparison with both Middle East averages and some of its competitors. This is particularly evident when looking at market share, annual growth rates, and revenue per visitor which up to 2002 had fallen rather dramatically every year since 1990. Since then while there has some modest recovery, Jordan's receipts per arrival are well below those of Israel, Egypt, Lebanon, Turkey, and the ME average.

Between 1994 and 2003, Jordan's average annual growth in tourism revenue in nominal terms was 3.8% but, in real terms it was just 1.1%.

Based on top line results, performance to date in 2004 appears more positive, with a move toward the levels achieved during the more successful years of 2000 and 2001. The JTB has worked to maintain the distribution channels by nurturing relationships with tour operators etc.

1995–2000 Average Annual Growth	Tourist Numbers	Tourism Revenue
Jordan	5.8 %	2.1%
World average	7 %	n/a
Middle East average	12.2%	6.5%
Egypt	12.2%	10.1%

Market share of Middle East Tourism	Tourist Numbers			Tourism Revenue		
	1995	2001	2002	1995	2001	2002
Jordan	8.2%	6.5%	5.9%	7.3%	5.9%	6.1%
Egypt	22.0%	19.2%	17.8%	30.0%	32.2%	29%
UAE	17.5%	n/a	19.7%	7.1%	n/a	10.2%

These negative trends, which continued into the early 2000s, and the National Tourism Strategy demonstrate that a new approach to acquiring a different type of customer is required.

Jordan's tourism is substantially underperforming its potential - what has brought tourism to where it is today will not bring it forward to meet the agreed revenue target of JB1.3 billion by 2010.

The National Tourism Strategy identifies the four pillars that underpin the future success of Jordan's tourism performance as:

1. Strengthen Tourism Marketing
2. Enhance Product Development and Competitiveness
3. Develop Human Resources
4. Improve Institutional and Regulatory Framework

There are undeniable reasons for Jordan to focus on a special interest, niche-marketing strategy within a boutique positioning. This new direction is the best way to grow tourism revenue by aiming to increase length of stay, increase per capita revenue, and attract a higher-yield, more affluent tourist. A niche marketing strategy where the focus is on selling tourism products to niche markets will also help address issues of regionality and seasonality.

People who are part of specialist/niche markets tend to be higher spenders with high expectations of service and standards. For this reason it is imperative that product development take place to deliver the promise. If Jordan over promises in its communication and then under delivers on the ground because there are gaps in the product and its delivery (i.e. services), the resulting negative publicity and negative word of mouth will negate the positive impact that would accrue if product delivery matches or exceeds visitors' high pre-trip expectations.

Before repositioning can take place, extensive market and customer research is required to firmly establish current perceptions. Market research will play a vital ongoing role in the new strategy.

The three routes to the tourism market are via a tour operator, an airline or an internet site. This fundamental will underline all future marketing activity regardless of the niche being targeted. All marketing communications will seek to create an emotional connection with customers. It is critical that the customer journey from the initial enquiry about Jordan to purchase is as easy as possible.

Right on Jordan's doorstep is a lucrative regional market which has not been exploited to anywhere near its potential. Jordan's current profile of regional tourist is at odds with its plans to focus on tourism revenue rather than tourist numbers. The new approach will be to market to selected high-yield segments by way of direct consumer marketing.

Western Europe is Jordan's key strategic market representing the best prospects for attracting high-yield tourists. Opportunities also exist in Eastern Europe, particularly in Russia, where a newly appointed JTB agent will target high spending Russian holidaymakers. The United States should be considered as a secondary market as its propensity to travel is way below that of Western Europe. This is mainly because the US market takes longer to recover from a crisis situation. The US market has enormous potential but in the early years of the strategy, Western Europe presents greater potential. Growth rates of 10 per cent per annum from Western Europe are achievable while Eastern Europe should contribute 20 per cent p.a., coming, as it does, from a very low base. The opportunities presented by the Chinese market can be exploited immediately now that Jordan has approved destination status.

If Jordan is to effectively exploit the European market, air access must improve. Jordan's scoring for air access – frequency of services and price – is the lowest among its competitive set. High air fares are a barrier to growth. The strong interdependence between tourism and air transport means that dialogue and co-operation between RJ and the JTB and tourism industry is not only desirable, it is essential.

Although Jordan's per capita GNI is low compared to some neighbouring and European countries, the domestic market should be developed by targeting high income, urban dwellers.

Without effective partnership and co-operation, none of this can happen. The marketing partnership will require all constituent partners – Ministry, JTB, Airline, Trade and ASEZA – to fully commit to the benefits of a partnership approach so that all can reap the rewards that the adoption and implementation of the new strategy can bring.

The marketing sub-strategy is for Jordan tourism. Annual business plans for each of the various marketing partners will capture the implementation actions for each year and relate them directly to budgets and resources within a timed schedule.

2. INTRODUCTION

The USAID funded AMIR Program provides assistance to the Jordan Tourism Board (JTB) to enhance its capacity in effectively promoting Jordan's tourism sector, both regionally and internationally.

Now that the National Tourism Strategy and revenue targets for 2010 have been agreed, the focus shifts to marketing.

The purpose of this sub-strategy is to outline performance to date, set out the strategic approach to boutique positioning and branding, and identify those markets (international and regional) which present best potential to meet the target of JD1.3 billion by 2010.

The marketing sub-strategy is not exclusively for any one of the marketing partners – it is for Jordan tourism. Annual business plans for each of the various marketing partners e.g. JTB, ASEZA, RJ, Tour Operators etc will capture all of the implementation actions for each specific year and relate them directly to budgets and resources within a timed schedule.

Chapter 3 examines Jordan's performance to date and compares it to competing destinations within the Middle East Region. It also serves to identify the many gaps in research.

Chapter 4 sets outs the strategic approach to boutique positioning, branding and niche marketing. It signals which products should be promoted to which niche segments, and further establishes the need for more market and customer research to guide decision-making in annual business plans in the future.

Chapter 5 identifies that Europe is Jordan's key strategic market representing immediate and ongoing potential It allocates forecasted growth rates and identifies the various methodologies that should be used to exploit the opportunities represented in the various markets.

Chapter 6 looks at the regional or close markets. Jordan has a large heretofore-untapped market right on its doorstep. The regional markets have been largely ignored in the past, so chapter 6 identifies where the potential lies and what approach needs to be adopted to reverse the trend of large numbers of regional tourists but poor performance on the revenue side.

Chapter 7 looks at the important role that domestic tourism can play in contributing to a balanced source of business for a tourism destination. While the economic situation in a country is the main influencer on the ability of the domestic market to grow, without a co-ordinated approach to developing the domestic market, there is little chance of reaping its rewards.

Chapters 8 and 9 look at the role that the various partners will play in implementing the marketing sub-strategy. The proposed new structure for the JTB is considered as well as the need for greater co-operation among the various partners for marketing.

3. PROFILE OF JORDAN'S CURRENT TOURISM STATISTICS WITH REGIONAL COMPARISONS

The National Tourism Strategy shows that tourism in Jordan is characterised by

- Short length of stay
- Low visitor expenditure
- Weak coordination of visitor servicing post arrival in the county
- Weak tourism organisation on ground arrangements
- Inadequate visitor servicing by way of Information Offices around the country

The marketing sub-strategy therefore seeks to address these issues.

The purpose of this chapter is to examine Jordan's performance to date and compare that performance with some of Jordan's competing destinations in the Middle East North Africa (MENA) region.

In a study *Jordan - Competitive Comparative Study* commissioned by the JTB and completed in 2003, Jordan's most direct competitors for tourists in global markets were identified as:

Israel, Egypt, Oman, Dubai, Lebanon, Syria, Tunisia and Turkey.

The recommended future strategy is a boutique positioning, where the focus will be on selling products to niche markets. In the future, the make up of Jordan's competitive set will change and it will not be as relevant to compare Jordan to some of the more mass tourism destinations such as Egypt and Tunisia.

In looking at performance to date however, these countries are good examples of tourism destinations that have successfully adopted and implemented their own particular strategies and enjoyed the results of higher growth levels in tourist numbers and tourism revenue. Egypt, for example, has had the big advantage of large marketing budgets to do this.

The main sources for information and data are the World Tourism Organisation (WTO)[1], the Ministry of Tourism and Antiquities (MOTA) and the Jordan Tourism Board (JTB).

Since September 2000, different crises have affected tourism performance in the region and in Jordan. These include the effects of problems in the West Bank, September 11th, Intifada, and the war in Iraq.

The WTO has indicated that nine of the 30 top emerging destination countries are in the MENA region. All of them are Arabic countries – Jordan is not amongst them, which indicates a need to address the strategic issues and particularly marketing.

1 WTO data was collected by the WTO secretariat from official institutions of those countries and territories mentioned. It is not possible to say with certainty if the same standards of data collection were applied across all official institutions; however, the WTO is an important source of information, and its data are extensively used in the National Tourism Strategy.

3.1 VISITOR NUMBERS

Data from the WTO show that in 2002[1], international tourist arrivals to the Middle East increased by 16.7 per cent over the 2001 figure. Given the high level of uncertainty in the region in recent years, this is an outstanding achievement – the region had the highest growth rate of all the regions in the world in 2002.

Three countries – Saudi Arabia, Egypt and United Arab Emirates (UAE) – have the largest market share; combined, they account for almost 65 per cent of tourist arrivals to the whole region. The growth experienced by the UAE has been remarkable; in 1990, it received just 1 million visitors. This leaped to 5.4 million in 2002.

Between 1995 and 2002, the average annual rate of growth in tourist arrivals
for the Middle East region was 11.9 per cent.
The world average for the same period was 7 per cent.
Jordan's average for the same period was 5.9 per cent.

During the period, Jordan's performance was below the average
for most of its competing destinations in the region:
e.g. Egypt: 12.2 percent; Oman: 15.4 per cent; Lebanon: 10.5 per cent; Syria: 11.7 per cent.
Between 1995 and 2002, Jordan was not keeping pace with its competitors.

WTO data and the National Tourism Strategy show that despite crises in the region,
Jordan has underperformed relative to

(a) Its potential
(b) Middle East averages and its close competitors

The region's average rate of growth in tourist arrivals in 2002 over 2001 was 16.7 per cent. Jordan's growth of 9.8 per cent shows that it did not keep pace with the competition for that period. However, this was a marked increase over its 2001/2000 growth rate of just 3.6 per cent.

Visitor numbers to Jordan have continued to rise in recent years, and in 2002, it received 1.6 million tourists, almost three times the 1990 amount. MOTA figures show that there were 1.5 million tourists in the 11 months to November in 2003. For the first six months of 2004, there was an increase in tourist arrivals over the same period in 2003 of 30.8 per cent, and 9.6 per cent over the same period in 2000.

However, over time, Jordan's share of international visitors to the region has fallen from 7.9 per cent in 1995 to 5.9 per cent in 2002. Comparable data for 2003 and 2004 is not yet available from the WTO.

The main tourism destinations in North Africa are Tunisia and Morocco who together account for almost 90 per cent of total arrivals to the region. While the region performed relatively well in 2001, it experienced a fall of 2.4 per cent in 2002 to 10.3 million arrivals. In 2002, the largest reduction was experienced by Tunisia (down 6.0 per cent to 5.0 million arrivals). Tunisia is

[1] WTO 2002 provisional figures

followed by Morocco, which received 4.2 million arrivals in 2002, down by less than 1 per cent over 2001.

North Africa remains the most visited of all the African subregions with 35 per cent share of the national total (down from 37 per cent in 2001)

Table 1 shows international tourist arrivals, average annual growth rates and market share for MENA countries by country of destination.

Table 1

International Tourist Arrivals by Country of Destination

							Market share		Growth rate		Average annual growth
		1990	1995	2000	2001	2002*	1995	2002*	01/00	02*/01	1995-2000
	Series	International Tourist Arrivals (1000)						%		%	%
Middle East		9,689	13,663	23,969	23,646	27,594	100	100	-1.3	16.7	11.9
Bahrain	TF	1,376	1,396	2,420	2,789	3,167	10.2	11.5	15.2	13.6	11.6
Egypt	TF	2,411	2,871	5,116	4,357	4,906	21.1	17.8	-14.8	12.6	12.2
Iraq	VF	748	61	78	127	..	0.4		61.4		5.3
Jordan	TF	572	1,074	1,427	1,478	1,622	7.9	5.9	3.6	9.8	5.9
Kuwait	THS	15	72	78	73	..	0.5		-6.4		1.6
Lebanon	TF	..	450	742	837	956	3.3	3.5	12.9	14.2	10.5
Libya	TF	96	56	174	..	..	0.4		-2.2		25.5
Oman	THS	149	279	571	562	602	2.0	2.2	-1.6	7.1	15.4
Palestine	TF	..	..	330	7	..			-97.9		
Qatar	THS	136	294	67	76	..	2.2		13.4		-25.6
Saudi Arabia	TF	2,209	3,325	6,585	6,727	7,511	24.4	27.2	2.1	11.7	14.6
Syria	TCE	562	815	1,416	1,318	2,809[a]	6.0	10.2	-6.9	[a]	11.7
UAE	THS	973	2,315	3,907	4,134	5,445	17.0	19.7	5.8	31.7	11.0
Yemen	THS	52	61	75	76	89	0.4	0.3	0.8	17.8	4.2
North Africa		8,398	7,304	10,075	10,562	10,307	100	100	4.8	-2.4	6.6
Tunisia	TF	3,204	4,120	5,058	5,387	5,064	56.4	49.1	6.5	-6.0	4.2
Algeria	VF	1,137	520	866	901	998	7.1	9.7	4.1	10.7	10.8
Sudan	TF	33	63	38	50	52	0.9	0.5	32.9	4	-9.8
Morocco	TF	4,024	2,602	4,113	4,223	4,193	35.6	40.0	2.7	-0.7	9.6
Israel	TF	1,063	2,215	2,312	2,417	1,196			4.5	-50.5	1.8

Source: World Tourism Organisation

[a] change of series

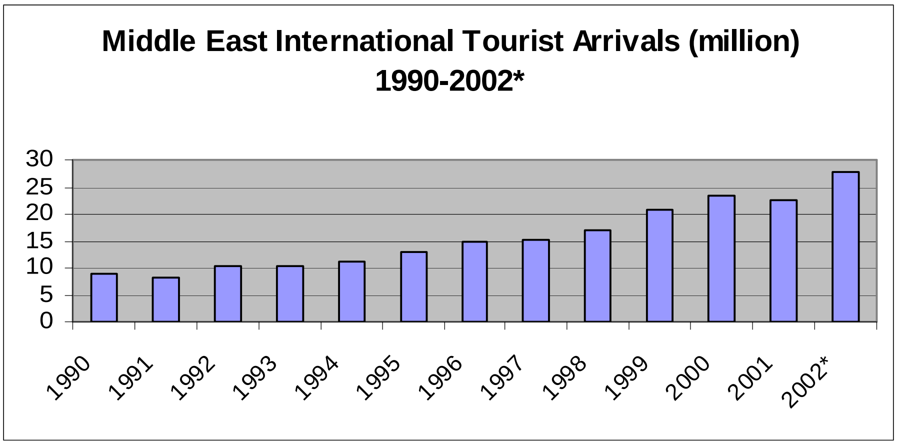
International Tourist Arrivals 1990-2002

Charts 1, 2 and 3 show international tourist arrivals to the Middle East, North Africa and Jordan respectively between 1990 and 2002.

With the exception of 1991, tourist arrivals to Jordan have increased every year over the last decade to a peak of 1.6 million in 2002.

Jordan's performance in average annual growth rates and market share was less positive. (See charts 5 & 6).

Chart 1
Middle East International Tourist Arrivals (million) 1990 – 2002*

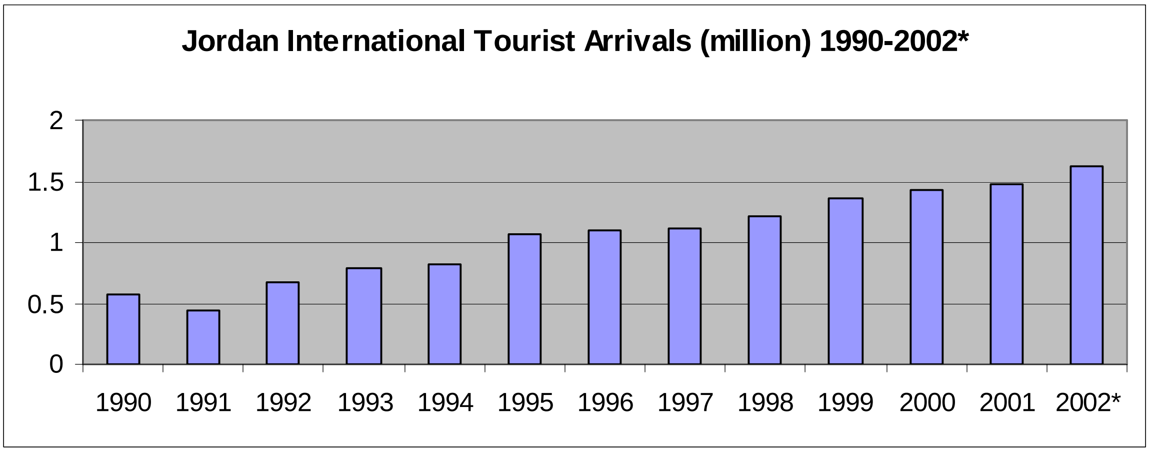


Source: World Tourism Organisation

Chart 2
North Africa International Tourist Arrivals (million) 1990 – 2002*

Source: World Tourism Organisation

Chart 3
Jordan International Tourist Arrivals (million) 1990 – 2002*



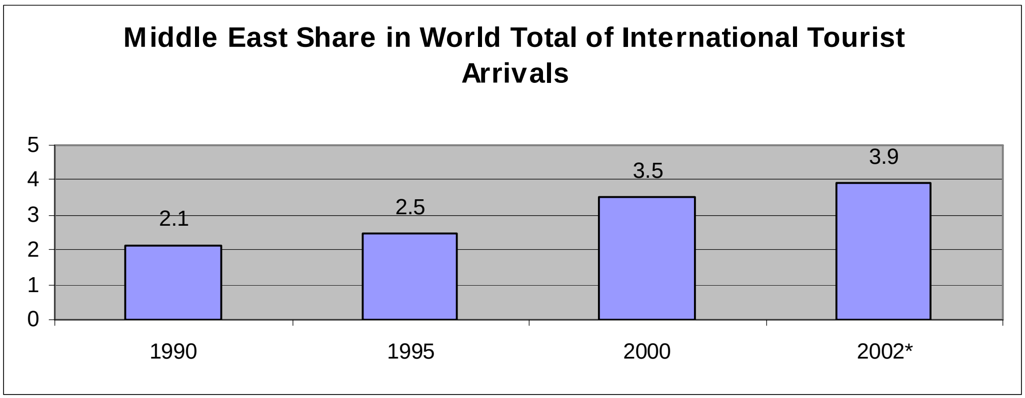
Source: World Tourism Organisation

Market Share

Chart 4 shows the Middle East's share of world international arrivals between 1990 and 2002. In 1997, the WTO had predicted that the region's share of world arrivals would increase to 3.6 per cent by 2010 and to 4.4 per cent by 2020. It is important to note that by 2002, this figure had already been surpassed – 3.9 per cent of the world arrivals were in the Middle East in 2002.

Chart 4

Middle East Share in World International Tourist Arrivals (%)



Source: World Tourism Organisation

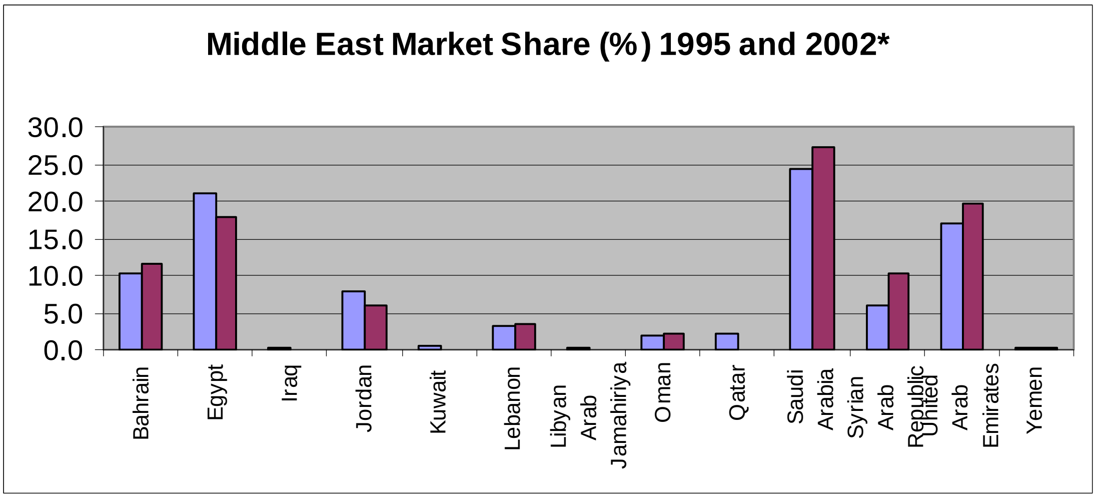
Chart 5 shows that Jordan's share of the Middle East's international tourist arrivals fell from 7.9 per cent to 5.9 per cent between 1995 and 2002.

This occurred despite Jordan's number of tourist arrivals increasing during the same period.

Jordan is underperforming relative to other destinations in the region.

Chart 5

Market Share of World International Tourist Arrivals to Middle East (%)



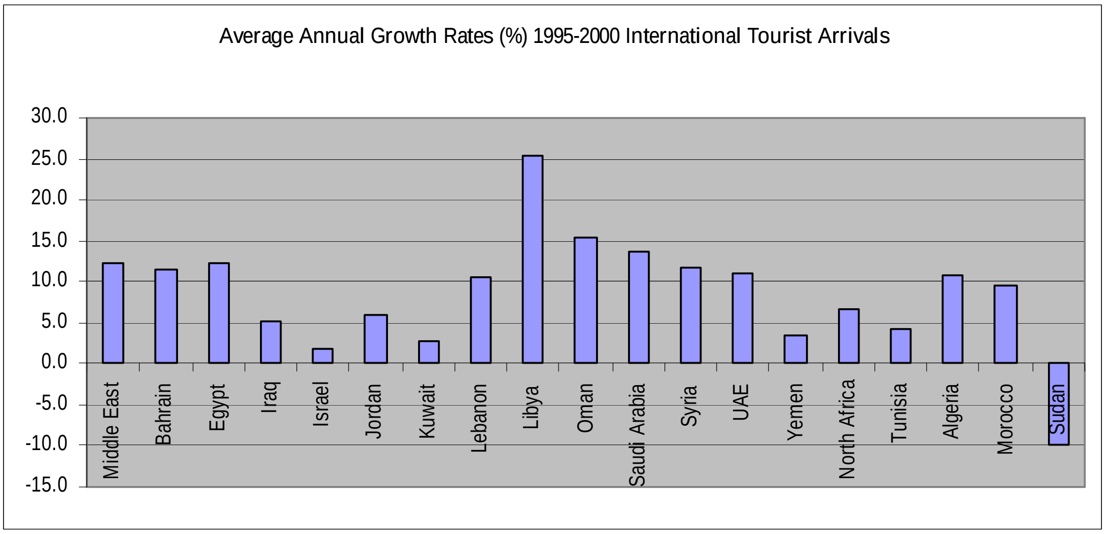
Source: World Tourism Organisation

Note: 2002* market share data is not available for Iraq, Kuwait, Libya or Qatar.

Annual Growth Rates - International Tourist Arrivals 1995-2000

At 5.9 per cent, Jordan's average growth rate between 1995 and 2000 was less than half the ME average (11.9 per cent), and well below that of its main regional competitor, Egypt (12.2%).

Chart 6
MENA Average Annual Growth Rates 1995-2000 (%) International Tourist Arrivals



Source: World Tourism Organisation
Note: average growth rate for Palestine and Qatar not available.

3.2 VISITOR REVENUES

According to the WTO, the Middle East earned almost US$13 billion from international tourism in 2002. This was 10 per cent higher (+US$1.2 billion) than in 2001.

As a share of world international tourism receipts, the region now accounts for 2.7 per cent. This is lower that its percentage share of tourist arrivals indicating that the region is underperforming in the key area of tourism earnings or revenue per tourist. (See chart 8).

Mirroring its dominant position in tourist numbers, Egypt has the highest earnings from tourism, earning US$3.8 billion in 2002 (almost one third of the region's total). It is followed by Syria with US$1.4 billion and UAE with US$1.2 billion.

Jordan is fifth on the list of the region's top earners. In 2002, tourist revenue reached US$786 million or 6.1 per cent of the region's total. MOTA figures for 2003 show total tourism receipts of JD534 million or US$741 million[1]. Tourism receipts for the fist six months of 2004 are up 16.8 per cent over the same period in 2003, and 5.3 per cent over the same period in 2000.

Table 2

International Tourism Receipts by Country of Destination

						Market share		Growth rate		Average annual growth
	1990	1995	2000	2001	2002*	1995	2002*	01/00	02*/01	1995-2000
	International Tourism Receipts (US$ million)						%		%	%
Middle East	4,548	8,943	12,438	11,785	12,963	100	100	-5.2	10.0	6.8
Bahrain	135	247	563	630	..	2.8		9.9		18.3
Egypt	1,100	2,684	4,345	3,800	3,764	30.0	29.0	-12.5	-0.9	10.1
Jordan	512	652	722	700	786	7.3	6.1	-3.0	12.3	2.1
Kuwait	132	121	98	104	118	1.4	0.9	6.1	13.9	-4.1
Lebanon	..	710	742	837	956	7.9	7.4	12.8	14.2	0.9
Libya	6	..	28	..	..					
Oman	69	92	120	118	116	1.0	0.9	-1.7	-1.7	5.5
Palestine	..	..	155	9	..			-94.2		
Saudi Arabia	..	..	..	3,420	..					
Syria	320	1,338	1,082	..	1,366	15.0	10.5	4.9		-4.2
UAE	315	632	1,012	1,064	1,328	7.1	10.2	5.1	24.8	9.9
Yemen	20	50	76	38	..	0.6		-50.0		8.7
North Africa	2,292	2,478	3,662	4,287	3,760	100	100	17.1	-12.3	5.9
Tunisia	948	1,393	1,496	1,605	1,422	50.7	37.8	7.3	-11.4	1.4
Algeria	64	32	96	100	133	1.2	3.5	4.2	33.0	24.6
Sudan	21	19	30	56	..	0.7		86.7		9.6
Morocco	1,259	1,304	2,040	2,526	2,152	47.5	57.2	23.8	-14.8	9.4
Israel	1,346[2]	2,784	4,440	2,153	1,555			28.4	-43.3	5.1

Source: World Tourism Organisation

[1] Converted using August 2004 exchange rate.

[2] Revenue for Israel supplied by WTO in €. Figures are converted to US$ for comparison purposes using August 2004 exchange rate.

Top line data is positive, but when underlying trends are examined, the picture is less so.

Jordan's Tourism Revenue
Average Annual growth 1994-2003

Nominal growth	3.8%
Real growth	1.1%

Source: National Tourism Strategy

In a study *Jordan Competitive Comparative Study*[1] commissioned by the JTB and completed in 2003, Jordan's most direct competitors for tourists in global markets were identified as:
Israel, Egypt, Oman, Dubai, Lebanon, Syria, Tunisia and Turkey.

Of its competitive set, Jordan is ranked eighth of nine with earnings of just under US$800 million in 2002, (ahead only of Oman).

Jordan has experienced greater growth in tourist numbers than tourism revenue since 2000

Table 3
Jordan's competitive set ranked in order by international tourism receipts

Rank	Country	International Tourism Receipts 2002 (US$ million)
1	Turkey	11,699[2]
2	Egypt	3,764
3	Israel	1,555
4	Tunisia	1,422
5	Syria	1.366
6	UAE	1,328
7	Lebanon	956
8	Jordan	786
9	Oman	116

Source: World Tourism Organisation

Between 1995 and 2000, Jordan's tourist numbers grew at an average of 5.9 per cent p.a. while growth in revenue per annum for the same period was just 2.1 per cent.

Revenue is the key economic indicator and this slippage in value points up the need to address this in the strategy and in future annual marketing plans.

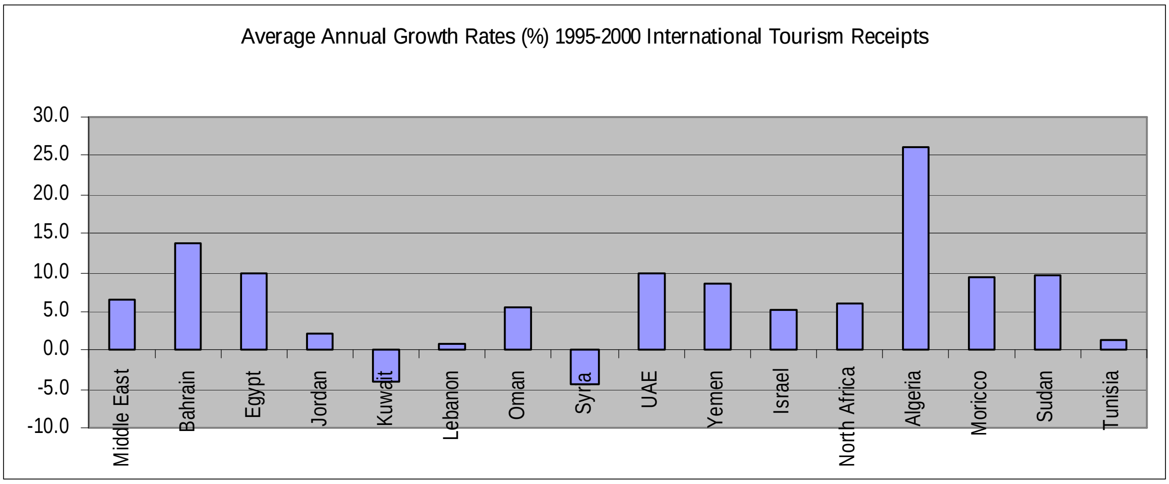
1 For the future with boutique positioning and niche marketing, Jordan's competitive set will be different to heretofore.
2 Revenue for Turkey and Israel supplied by WTO in €. Figures are converted to US$ for comparison purposes using August 2004 exchange rate.

Annual Growth Rates - International Tourism Receipts 1995-2000

Jordan's average annual growth rate in international tourism revenue at just 2.1 per cent is below the Middle East average of 6.8 per cent. Egypt and UAE performed well during the period with average annual growth of 10.1 per cent and 9.9 per cent respectively.

Chart 7

MENA Average Annual Growth in International Tourism Receipts (US$ million).



Source: World Tourism Organisation

Note: average growth rates for Iraq, Libyan Arab Jamahiriya, Palestine and Qatar not available.

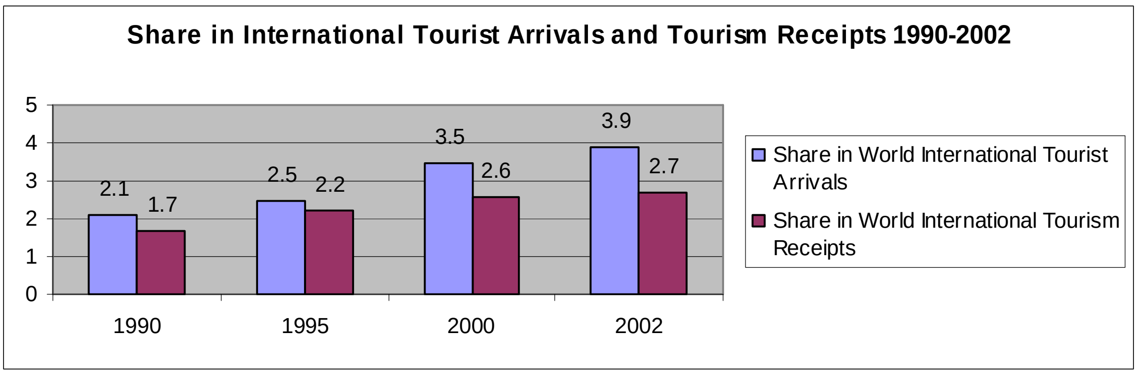
Market Share – Tourism Receipts

Chart 8 shows that the ME region's share of international tourism revenue is lower that its share of international tourist arrivals.

Jordan share of revenue to the Middle East is 6.1 per cent - marginally above its share of visitors (5.9%).

Chart 8

Middle East Share in World International Tourist Arrivals and World International Tourism Receipts 1990-2002



Source: World Tourism Organisation

3.3 EXPENDITURE PER ARRIVAL

In 2002, destinations in the Middle East earned an average of US$470 per tourist arrival. This is below the world average of US$675. North Africa is lower again at US$365 per arrival.

Within Jordan's comparative set, Israel scored highest with an average spend per tourist of US$1,766 (€1,469). This was followed by Lebanon at US$1,000 and then Egypt at US$767 per arrival. Egypt's revenue per arrival fell by 12 per cent between 2001 and 2002. Turkey received US$895 (€745) per arrival in 2002 up from US$828 in 2001.

Jordan, at US$485, is below the region's average.

Revenue is a better measure of the success of tourism promotion than numbers. The data show that a new approach to marketing tourism in Jordan is critical if these trends are to be reversed.

Table 4

MENA Receipts per arrival (US$)

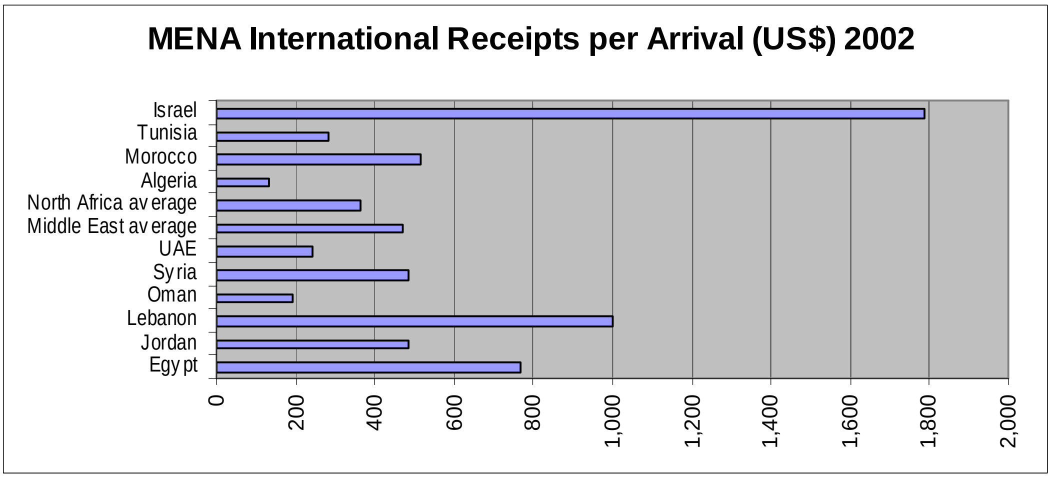
	1990	1995	2000	2001	2002*	Growth rate 01/00	02*/01	Average annual growth 1995-2000
	Receipts per arrival (US$)						%	%
Middle East	476	670	520	500	470	-3.9	-6.0	-4.9
Bahrain	98	177	237	226		-4.6		6.0
Egypt	456	935	849	872	767	2.7	-12.0	-1.9
Jordan	895	607	506	474	485	-6.4	2.3	-3.6
Kuwait	8,800	1,681	1,256	1,425		13.4		-5.7
Lebanon		1,578	1,000	1,000	1,000	-0.1		-8.7
Libya	63							
Oman	463	330	210	210	193	-0.1	-8.2	-8.6
Palestine			470	1,286		173.7		
Saudi Arabia				508				
Syria	569	1,642	764		486			-14.2
UAE	324	273	259	257	244	-0.6	-5.3	-1.0
Yemen	385	820	1,013	503		-50.4		4.3
North Africa	273	376	363	406	365	11.7	-10.1	-0.7
Algeria	56	62	111	111	133	0.1	20.1	12.5
Morocco	313	501	496	598	513	20.6	-14.2	-0.2
Sudan	636	301	798	1,120		40.4		21.5
Tunisia	296	338	296	298	281	0.7	-5.8	-2.6
Israel[1]	1,220	1,232	1,801	1,766	1,769	-2.0	0.2	5.3

Source: World Tourism Organisation

[1] WTO data for Israel supplied by WTO in €. Figures are converted to US$ for comparison purposes using August 2004 exchange rates.

Chart 9

MENA International Receipts per Arrival (US$) 2002

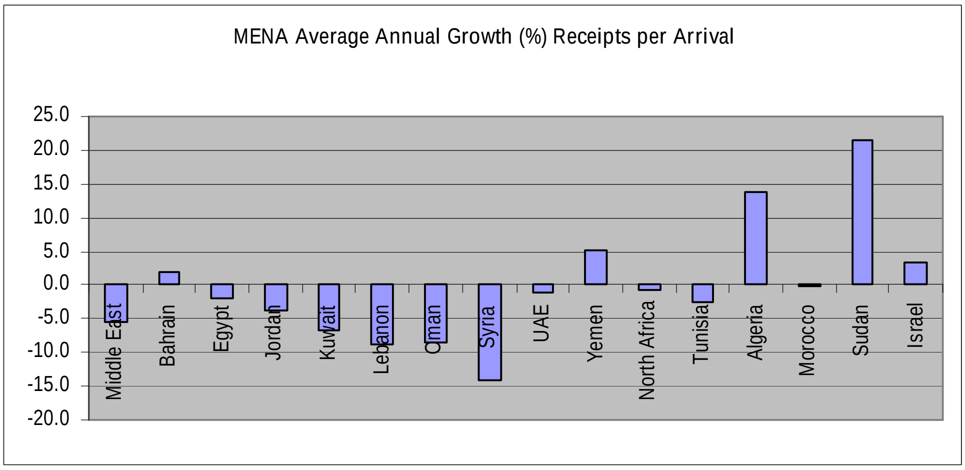


Source: World Tourism Organisation

Chart 9 shows earnings per arrival by country of destination compared to the averages for the Middle East region and North African subregion. Jordan is just above the Middle East average but well below that of some of its main competitors in the region i.e. Egypt, Israel and Lebanon.

Chart 10

MENA Average Annual Growth Receipts per Arrival (%) 1995 - 2000



Source: World Tourism Organisation

A worrying trend for the region as a whole is the fact that of all the 14 countries for whom data is available, just 5 achieved average annual growth in revenue per tourist arrival between 1995 and 2000. Up to 2001, Jordan's revenue per arrival has decreased every year since 1990. While it grew by 2.3 per cent in 2002 over 2001, this is modest – there are deficiencies in the strategic approach that must be analysed and acted on.

Data on Jordan's revenue per arrival by source market is not available. Such data is a key indicator of how source markets are performing. Under the new strategy, there is a clear recommendation that the new market research programme address this.

3.4 SOURCE MARKETS

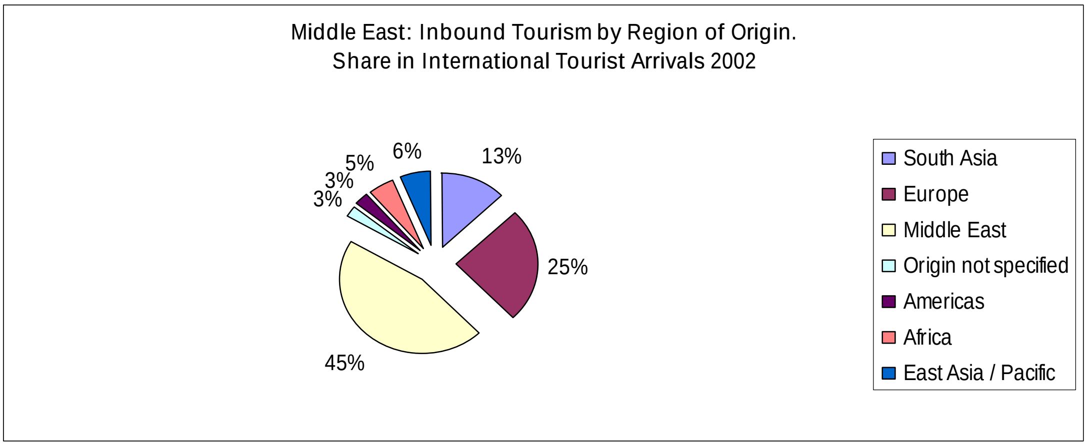
In 2002, 45 per cent of tourists to Middle East destinations came from within the region. This was an increase of 8 per cent over 2001. However, the underlying trend since the early 1990s is that travel to the Middle East from outside the region grew at a faster pace than travel within the region. Chart 11 shows the 2002 data, while table 5 shows market share and growth rates from 1990 to 2000.

The share of arrivals from the Middle East to the Middle East (i.e. intraregional) has fallen from 50.5 per cent in 1990 to 45 per cent in 2002.

After the Middle East, Europe is the largest source market, followed by Asia Pacific, Americas and Africa (especially North Africa). The National Tourism Strategy and the Marketing Sub-Strategy recommend that Western Europe, with its high propensity to travel of 68 per cent, is a key strategic market for Jordan representing potential in both the immediate term and the long term.

Chart 11

Middle East: Inbound Tourism by Region of Origin 2002



Source: World Tourism Organisation

Table 5

Middle East

Inbound Tourism by Region of Origin (including estimations for countries with missing data)

	Market Share (%)			Growth rate		Average annual growth (%)	
	1990	1995	2002*	01/00	02*/01	90-00	95-00
Middle East	100	100	100	-1.3	16.7	9.5	11.9
From:							
Middle East	*50.9*	*43.5*	*45.3*	*4.1*	*14.6*	*7.8*	*12.1*
Other regions	*48.4*	*54.2*	*52.2*	*-5.5*	*18.4*	*10.6*	*11.7*
Africa	7.0	4.6	5.1	5.4	17.3	5.3	12.7
Americas	3.4	4.2	3.1	-15.0	7.9	10.9	10.5
East Asia / Pacific	6.8	6.9	6.1	-2.3	17.4	8.4	9.1
South Asia	11.2	11.1	13.1	5.8	24.1	9.7	12.6
Europe	20.0	27.4	24.8	-11.5	17.5	13.0	12.0
Origin not stated	*0.7*	*2.3*	*2.5*	*-7.0*	*19.8*		

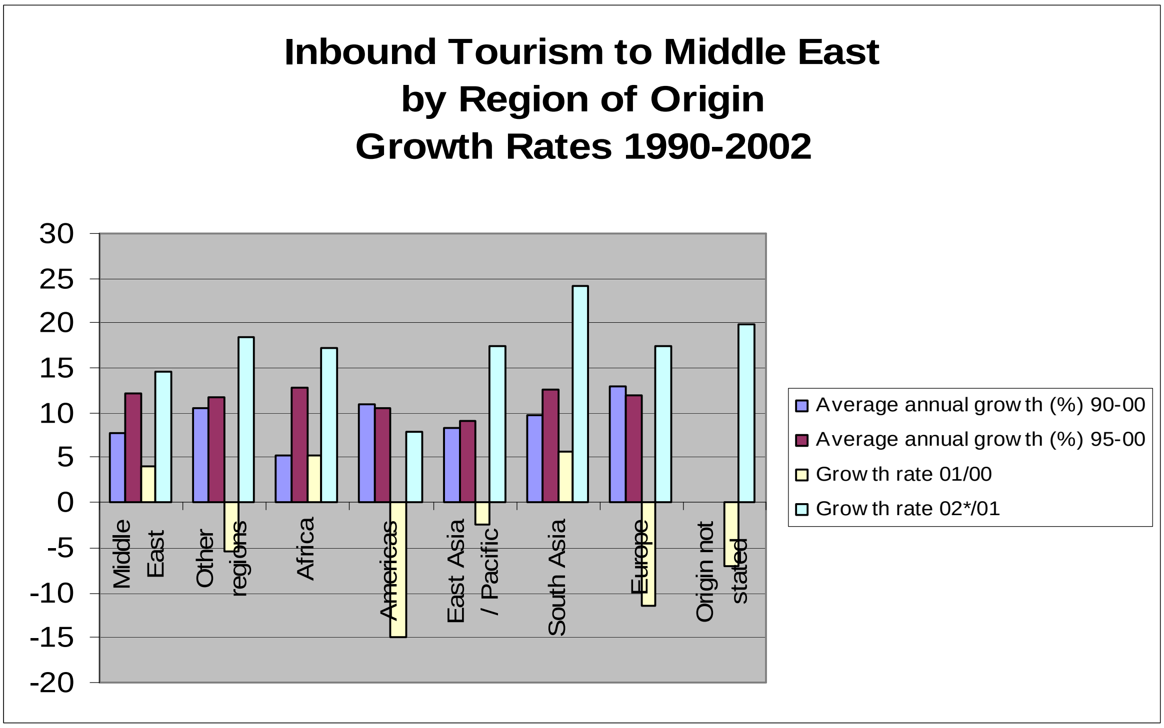
Source: World Tourism Organisation

Chart 12 shows that with the exception of 2001, all markets have experienced growth over the period 1990 to 2002.

Given the importance of Europe as a source market and its considerable market share, its recovery in 2002 over 2001 (+ 17.5 per cent) was significant.

Chart 12

Middle East: Inbound Tourism by Region of Origin 2001



Source: World Tourism Organisation

Where do JORDAN'S International Visitors come from?

WTO data showing Jordan's source markets for international visitors between 1995 and 2002 is presented in Table 6.

Since 2001, just three of Jordan's top ten source markets have been from outside the region, namely; the United States, the United Kingdom, and Germany.

Table 6

Jordan International Visitor Arrivals at Frontiers (by nationality)

					Market Share		Growth rate		Average per year (%)
	1995	2000	2001	2002*	1995	2001*	01/00	02*/01	1995-2002*
Total	1,073,549	1,426,879	1,477,697	1,621850	100	100	3.9	9.8	6.1
From Middle East	*566,561*	*745,227*	*933,987*	*1,098,263*	*52.8*	*67.7*	*25.3*	*17.6*	*9.9*
Bahrain	40,163	37,874	56,884	72,580	3.7	4.5	50.2	27.6	8.8
Kuwait	46,279	58,102	80,533	108,523	4.3	6.7	38.6	34.8	12.9
Lebanon	..	62,112	70,257	87,604		5.4	13.1	24.7	
Libya	..	30,617	29,186	25,989		1.6	-4.7	-11.0	
Oman	9,382	7,994	10,962	14,672	0.9	0.9	37.1	33.8	6.6
Qatar	6,610	6,722	7,711	8,987	0.6	0.6	14.7	16.5	4.5
Saudi Arabia	452,860	471,142	602,655	687,498	42.2	42.4	27.9	14.1	6.1
UAE	11,267	12,886	13,337	18,571	1.0	1.1	3.5	39.2	7.4
Yemen	..	34,886	36,886	37,578		2.3	5.8	1.9	
Other Middle East	..	22,900	25,566	36,261		2.2	11.6	41.8	
From other regions	*506,988*	*681,652*	*543,710*	*514,157*	*47.2*	*31.7*	*20.2*	*-5.4*	*0.2*
Israel	100,079	136,737	186,275	161,275	9.3	10.0	36.2	-13.2	7.1
United States	83,853	99,262	58,825	58,193	7.8	3.6	-40.7	-1.1	-5.1
United Kingdom	44,959	47,446	36,565	35,035	4.2	2.2	-22.9	-4.2	-3.5
France	53,817	53,817	34,458	23,783	2.8	1.5	-36.	-31.	-3.3
Germany	44,804	48,828	31,554	24,291	4.2	1.5	-35.4	-23.	-8.4
Italy	29,274	49,282	20,906	11,871	2.7	0.7	-57.6	-43.2	-12.1
Sudan	..	12,199	14,709	16,094		1.0	20.6	9.4	
Indonesia	14,044	16,138	13,091	19,837	1.3	1.2	-18.9	51.5	5.1
Spain	13,995	21,110	11,248	9,868	1.3	0.6	-46.7	-12.3	-4.9
Canada	11,816	14,491	10,215	10,990	1.1	0.7	-29.5	7.6	-1.0
Netherlands	15,441	18,750	10,115	7,923	1.4	0.5	-46.1	-21.7	-9.1
Belgium	7,398	14,246	8,828	3,921	0.7	0.2	-38	-55.6	-8.7
Australia	10,455	12,635	8,555	7,487	1.0	.05	-32.3	-12.5	-4.7
Japan	6,669	9,556	6,630	6,351	0.6	0.4	-30.6	-4.2	-0.7
Tunisia	..	7,182	6,013	5,127		0.3	-16.3	-14.7	
Sweden	5,985	8,003	5,817	5,624	0.6	0.3	-27.3	-3.3	-0.9
Switzerland	7,630	9,079	5,731	4,444	0.7	0.3	-36.9	-22.5	-7.4
Austria	9,773	8,318	5,713	4,365	0.9	0.3	-31.3	-23.6	-10.9
Russian Fed.	21,213	7,303	5,031	4,909	2.0	0.3	-31.1	-2.4	-18.9
Algeria	..	3,691	4,301	5,054		0.3	16.5	17.5	
Morocco	..	2,496	4,041	4,829		0.3	61.9	19.5	
Korea, Republic of	..	3,043	3,650	3,557		0.2	19.9	-2.5	
Greece	3,825	3,893	4,566	3,547	0.4	0.2	17.3	-22.3	-1.2
Denmark	3,025	4,760	3,386	3,296	0.3	0.2	-28.9	-2.7	1.2
Malaysia	8,218	5,903	2,709	2,612	0.8	0.2	-54.1	-3.6	-15.1
Hungary	724	1,197	2,637	4,054	0.1	0.1	120.3	53.7	27.9
Other interregional	37,558	66,180	42,707	68,936	3.5	4.3	-35.3	61.4	9.1

Source: World Tourism Organisation

Table 7
Top Source Markets (visitor numbers) for Jordan 2003

Position	Source Market	Number of tourists	% change 2003/2002
1.	Saudi Arabia	635,567	-0.19
2.	Israel	150,943	2.58
3.	Lebanon	80,575	-0.11
4.	North America	77,167	19.87
5.	Kuwait	62,652	-38.78
6.	Bahrain	58,708	-17.21
7.	United Kingdom	30,318	-6.19
8.	Yemen	29,480	-15.87
9.	Indonesia	21,194	14.31
10.	Hungary	19,023	458.68
11.	Libya	18,668	-22.65
12.	Germany	18,439	-18.77
13.	France	17,196	-22.26
14.	Italy	9,381	-12.36
15.	Spain	7,789	-15.34

Source: MOTA

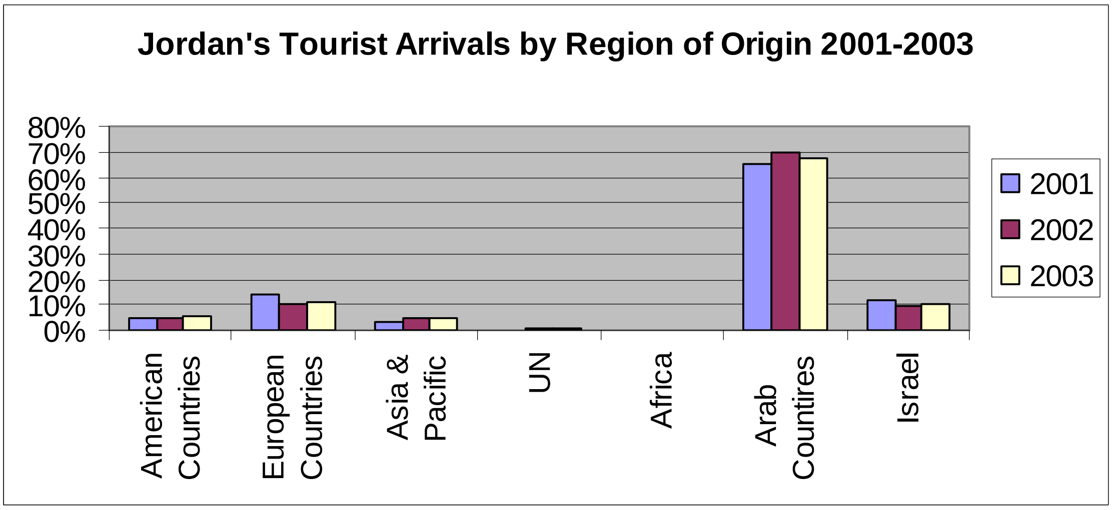
In 2003, 68 per cent of all arrivals were from other countries in the Middle East. 32 per cent were from other regions.

Regional markets play a big role in contributing to Jordan's tourist numbers. However, the current profile of regional tourists does not fit with the boutique positioning and targeting of higher-yield tourists that the strategy recommends.

Other chapters of this document estimate overall targets for international and regional markets and the methodologies to achieve them. Annual business plans will allocate resources and actions.

It is interesting to note that 69 percent of Egypt's international arrivals in 2002 were from Europe. Egypt is a direct competitor to Jordan whose comparative figure was just 20 per cent.

Chart 13
Jordan Tourist Arrivals by Region of Origin 2001-2003



Source: MOTA

Table 8
Jordan's Tourist Arrivals by Region

	2001	2002	2003
Middle East	63%	72%	67%
The Americas	5%	4.5%	5.6%
East Asia & Pacific	3%	3%	4.7%
Europe	27%	10%	11.2%
Israel	(incl. in Europe)	10%	10.4%
Africa	2%	0.4%	0.3%

Source: MOTA

In 2004, between January and June, visitor numbers from the Americas, Europe, and East Asia & Pacific grew at much faster levels than visitor numbers from Arab countries. The key strategic markets of Europe and America have not yet returned to the performance of 2000 or 2001 but are showing improvement over 2002 and 2003.

3.5 NICHE MARKETS

Because Jordan has not adopted a niche or product marketing strategy to date, and does not measure visitors activities, detailed, accurate information on participation by tourists in activities and special interest products while in Jordan is not available. Some of the top line data that is available is presented below.

Table 9 shows visitor numbers to touristic sites. The figures are not broken down by source market. 2000 was the best year for tourist numbers and receipts. The first six months of 2004 show signs of recovery for some sites over the 2001-2003 period but 2004 will not reach the highs of 2000.

Receipts from touristic sites for January to June 2004 (JD1.4 million) was almost five times the amount for the same period in 2003 (JD292,919).

Table 9
Visits to Touristic Sites (000s)

	2000	2001	2002	2003	Jan-June 2004
Petra	467	225	148	143	143
Jerash	296	163	98	97	85
Madaba (map)	177	68	35	28	46
Um Qais	159	70	107	49	154
Ajloun	188	154	104	91	57
Rum	101	44	29	23	27
Karak	132	82	42	29	39
Mount Nebo	-	146	53	48	6
Baptism	-	53	53	39	3
Receipts from Tourist Sites (JD million)	8,540	3,722	1,221	1,215	

Note: based on 11 months
Source: MOTA

The absence of more detailed information about the use of tourism products (i.e. other than visits to the archaeological sites) is a barrier to effective marketing planning and target setting. Once the recommended research programme is in place, the findings will play a vital role in annual business planning.

Package Tours & Length of Stay

Table 10
Package Tours

	2000	2001	2002	% change 02/00	% change 02/01
Arrivals on package tours*	365,118	181,080	119,002	-67.4	-34.3
Nights on package tours*	1,541,562	848,440	513,076	-66.7	-39.5
Length of stay / package*	4.22	4.69	4.31	2.1	-8.1
Tourists using transport companies**	377,188	178,539	89,502	-76.3	-49.9

* = 10 months

** = 11 months

Source: MOTA

MOTA data show that just 8% of all tourists in Jordan in 2002 were on a package tour and the average length of stay was 4.31 nights. Average length of stay has changed little since 1993 when it was 4.84 nights, and it dipped to 3.58 nights in 1996. In 2002, it was highest among Europeans at 6.58 nights. The lowest was for tourists from Asia at 1.81 nights.

MOTA data for January to June 2004 show that the number of tourists on package tours was 103,000. This was an increase of 222 per cent over the same period of 2003, and was 70 per cent higher than the January-June 2002 figure.

Again, this is top line data. The new market research programme will gather information in greater detail so that it can be used as a decision-making support.

Increasing length of stay is one of the keys to increasing tourism revenue.

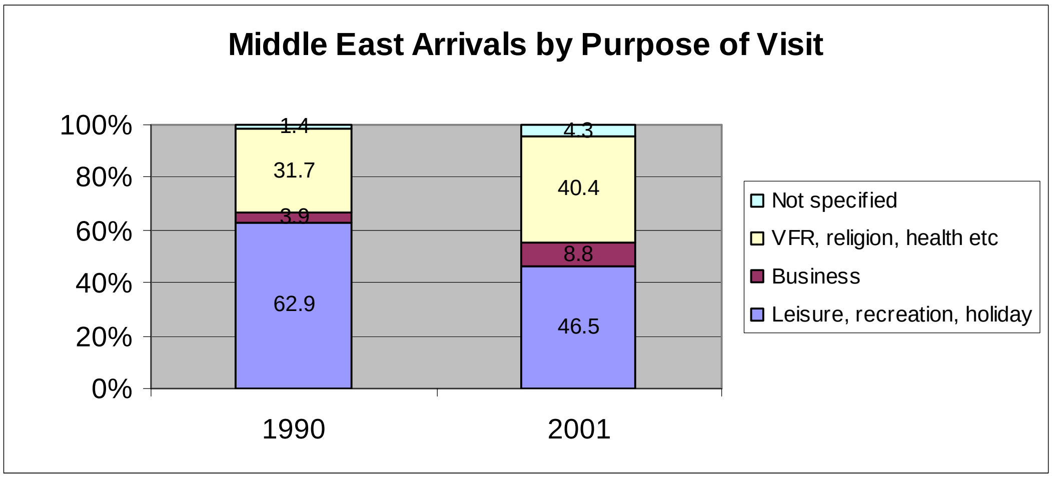
Middle East Purpose of Visit

The market share of leisure, recreation and holiday arrivals in the Middle East fell from 63 per cent in 1990 to 47 per cent in 2001. During this time, the category had experienced annual growth rates of 6.4 per cent. Travel for VFR, health, religion and other reasons gained market share from 32 per cent in 1990 to 40 per cent in 2001, with average annual growth of 12 per cent. Travel for business and professional reasons is the fastest growing category annually, and this type of travel increased its market share from 4 per cent in 1990 to 9 per cent in 2001.

Accurate comparative data for Jordan is not available. While not classified under the broader 'leisure' category, travel for religious purposes/pilgrimages and health treatments are important promotable segments, and should play a key role in the future promotion of tourism by the JTB and its various partners in marketing.

Chart 14

Purpose of Visit 1990 & 2001



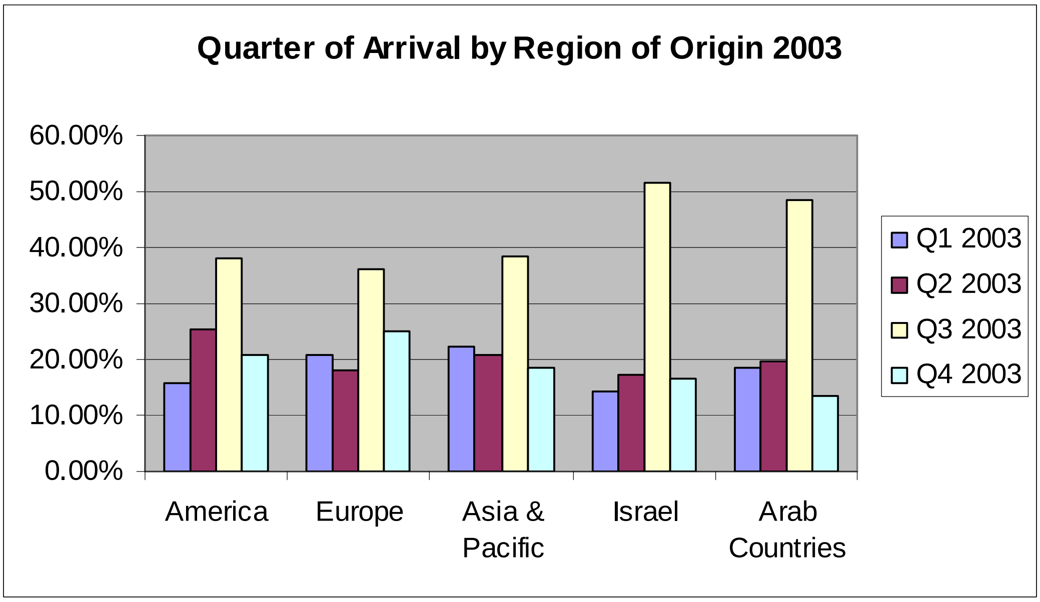
Source: World Tourism Organisation

3.6 SEASONAL SPREAD

The seasonal spread of Jordan's tourist arrivals is very peaked. In 2003, quarter 3 (July, August and September) was the preferred time of arrival for the majority of arrivals from all source regions[1]. A more balanced seasonal spread of tourists would mean a healthier distribution of revenue throughout the year.

Chart 15

Arrivals by quarter 2003

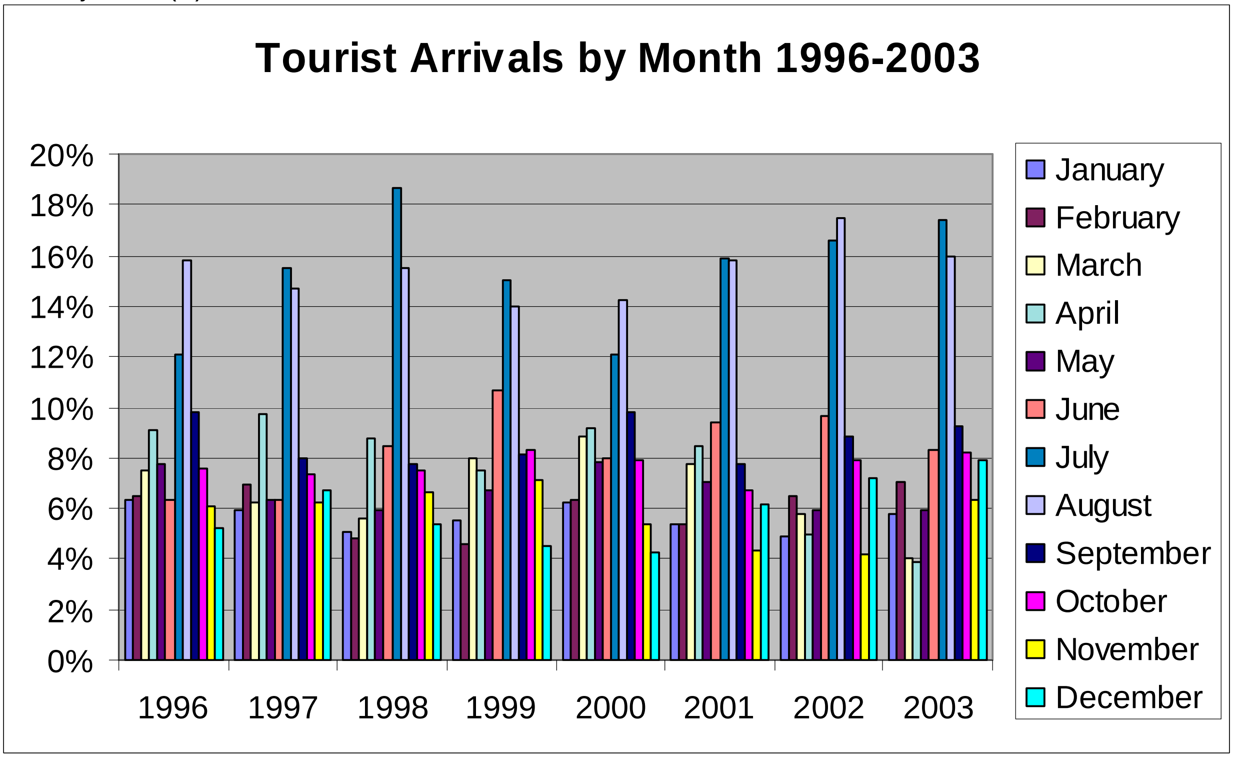


Source: MOTA

[1] MOTA statistics count regional visitors transiting Jordan twice.

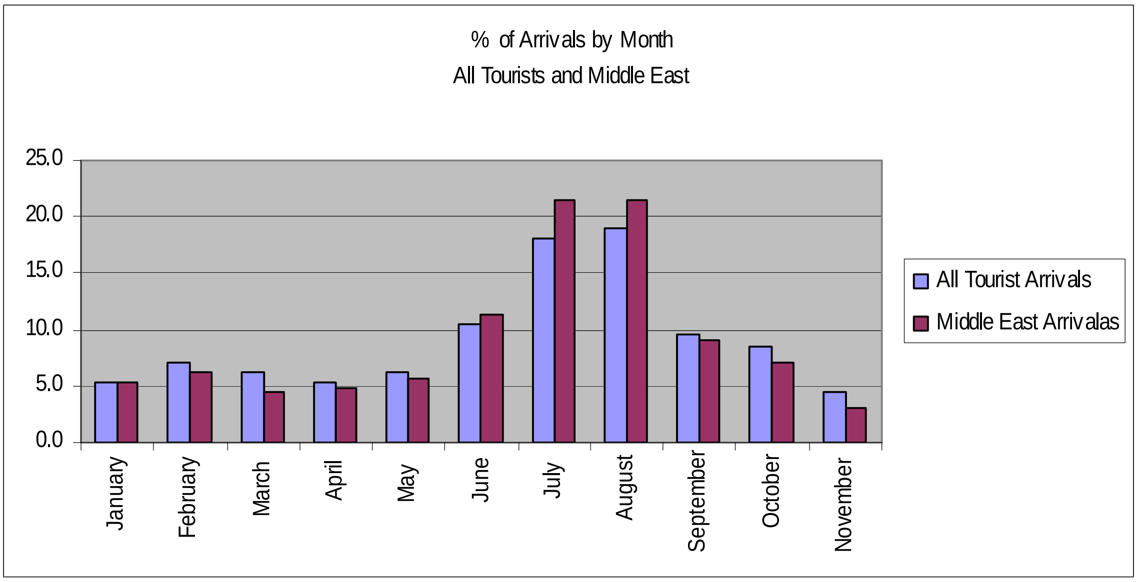
Charts 16 and 17 show arrivals by month in Jordan since 1996. The underlying pattern for timing of arrival has changes little since 1996.

Chart 16
Arrivals by Month (%) 1996 - 2003



Source: MOTA

Chart 17
Arrivals by Month (%) – All Tourist Arrivals and Middle East Tourist Arrivals 2002



Source: MOTA

Chart 17 shows that Middle East tourists are more likely to arrive in July and August than tourists from other countries.

The preference for Arabs[1] to visit Jordan during the peak summer months is evident when time of arrival for 2002 from the individual close markets is examined separately:

> Saudi Arabian arrivals are very peaked with June, July and August accounting for 52 per cent of tourist arrivals. All other months range between 3 and 9 percent (September).
>
> Bahrain: June, July and August account for 69 per cent of tourist arrivals. September is 12 per cent and just 20 per cent coming in the other 7 months for which statistics are available.
>
> Kuwait: June, July and August account for 60 per cent of its tourist arrivals, with other months ranging fairly evenly from 4 to 7 percent, apart from November with just 2 per cent in 2002.
>
> Oman is slightly less concentrated with 47 per cent in the peak 3 months. Other months apart from November are evenly spread. Note: Oman is a small market (just over 13,000 visitors in 2002).
>
> 58 per cent of tourists from Qatar arrive during the months of July, August and September. Similar to other countries, November is the least popular month with just 2 per cent of arrivals in 2002. January is slightly higher among the remaining months at 8 per cent, but again Qatar is a small source market.
>
> 62 per cent of those from UAE come in the peak three months, with all other months receiving roughly the same amount of visitors when data for 2001 and 2002 is analysed.

This is further evidence that the profile of current tourists from the regional markets does not match the profile of high-yield tourist that Jordan will aspire to attract in future under the new strategy.

[1] MOTA statistics count regional visitors transiting Jordan twice.

3.7 REGIONAL SPREAD

A balanced regional spread of numbers and revenue is an important indicator of the success of a tourism destination. Table 11 shows occupancy rates over the past three years for the main centres of accommodation. There have been contrasting fortunes for Petra, which has seen a big decline in occupancy rates, and Aqaba, which has seen occupancy rates grown since 2000.

Table 11
Hotel Occupancy Rates by Location (%)

	2000	2001	2002	2003
Amman	34	28	29	29
Aqaba	31	33	32	60
Petra	38	15	12	12
Dead Sea	51	42	30	33
Ma'in Spa	0	9	12	10
Wadi Rum	0	1	3	n/a

Source: MOTA

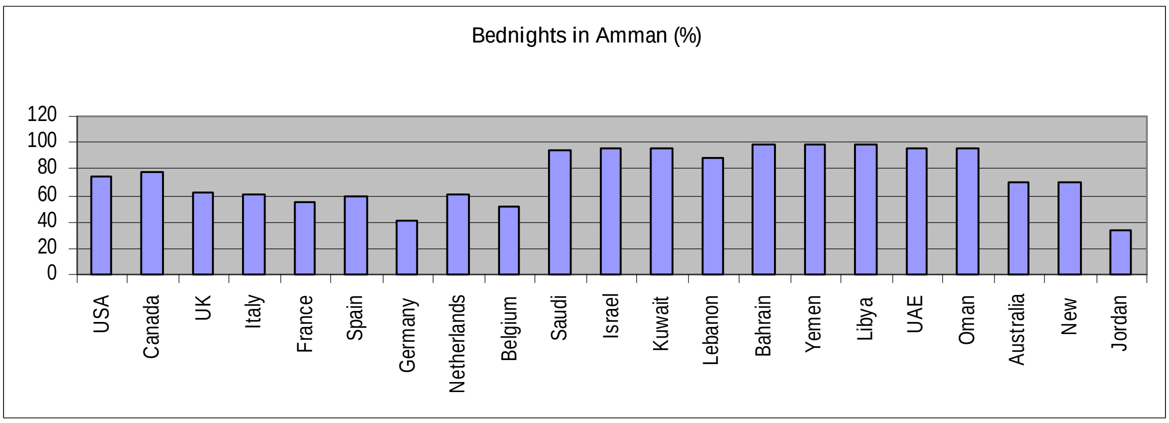
Bednights in Amman

For most countries, it is to be expected that the capital city will account for the largest share of bednights. However, in Jordan's case, the figures are very much skewed in Amman's favour. It is by far the greatest beneficiary of tourism revenue and accounts for 75 per cent of all tourist bednights across all types of accommodation establishments.

Chart 18 shows bednights in Amman by main source markets. Well over 95% of tourist bednights for Saudi Arabia, Israel, Lebanon, Yemen, Libya and UAE are in Amman.

Europe is Jordan's most important future strategic market. Bednights by Europeans are less concentrated in the capital city showing that the European markets can contribute significantly to the regional distribution of tourism revenue. 34 per cent of Jordanian bednights are in Amman.

Chart 18
Regional Bednights Amman 2002 (all accommodation establishments)

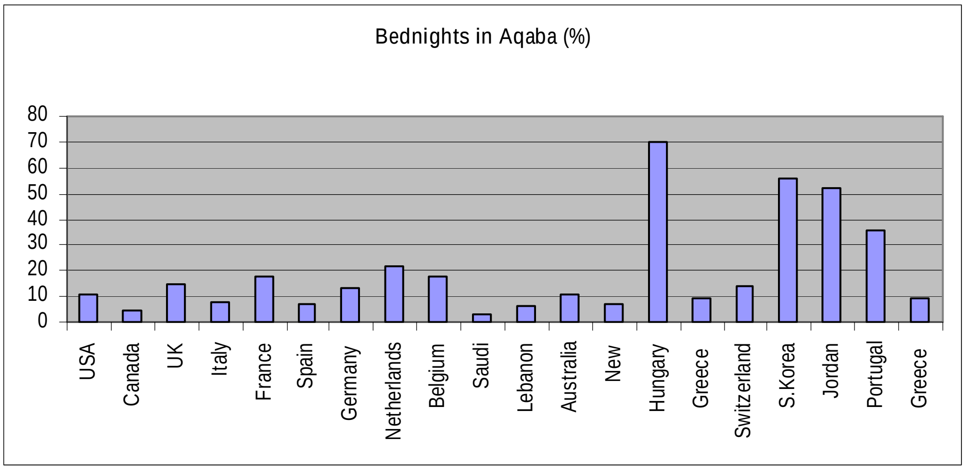


Source: MOTA

Bednights in Aqaba

Chart 19 shows that 15 per cent of all tourist bednights are spent in Aqaba. Not surprisingly, 70 per cent of Hungarian bednights are in Aqaba. Aqaba is also popular for South Koreans (56% of bednights), Jordanians (52% of bednights) and Portuguese (36% of bednights).

Chart 19
Regional Bednights Aqaba 2002 (all accommodation establishments)

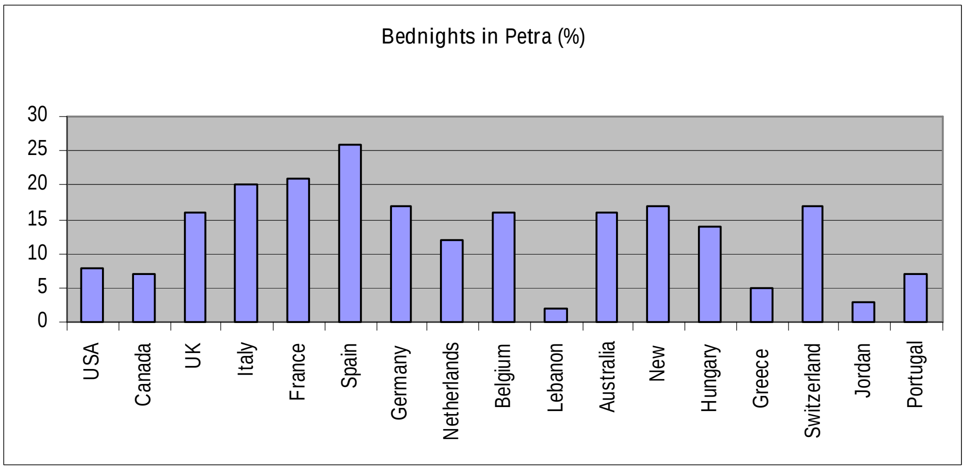


Source: MOTA

Bednights in Petra

Mirroring the dramatic downturn in visitors to Petra since the peak year of 2000 (see table 9), Petra accounted for just 4 per cent of all tourist bednights in 2002. Petra was most popular for tourists from Spain, France, Italy, Switzerland and Germany.

Chart 20
Regional Bednights Petra 2002 (all accommodation establishments)



Source: MOTA

Route of Entry

2003 MOTA statistics show that 75 percent of arrivals to Jordan were by road and 24 per cent by air. This reflects the current mix of tourists by source market.

European markets are Jordan's key strategic and opportunity markets capable of contributing substantially to Jordan's future tourism revenue. Inexpensive, regular, scheduled air services are essential if this objective is to be met. There are several examples in Western Europe where the introduction of low fares has catered for a latent demand for air access to a variety of destinations, and when introduced the new services grew the market. In Ireland, both Ryanair and Aer Lingus have seen passenger numbers grow significantly with the adoption of low fares strategies.

Table 12
Route of Entry to Jordan

	2002	2003	% change 03/02
Air	335,359	342,962	2.3
Sea	17,649	15,318	-13.2
Road	1,151,859	1,099,860	-4.5
Rail	141	82	-42.8
TOTAL	1,515,008	1,458,222	

Source: MOTA
Note: Based on 11 months

Over 90 per cent of gulf arrivals in Jordan arrive by road with Omari being the most popular point of entry – almost half of all Gulf arrivals by road used it in 2003.

Summary

Chapter 3 gives a detailed picture of Jordan's performance to date and compares it to competing and regional destinations.

It highlights Jordan's underperformance in key areas including average annual growth in tourism revenue and tourist numbers, and falling market share for both revenue and numbers.

Increasing length of stay is a challenge for the future as is the new approach of selling Jordan's tourism products to niche markets.

The analysis also serves to highlight the gaps in quality information that could be used to guide decision making and prioritise marketing spend. It is imperative that adequate funding be made available to the JTB to properly research the markets, the competition and the customer, and to then use that information to make good decisions on where to prioritise marketing spend.

The following chapters of this document set out the strategic approach and identifies the markets on which attention should focus if the negative trends are to be reversed.

4. THE STRATEGIC APPROACH

2010 Target

The agreed 2010 target for tourism revenue is JD1.3 billion, an increase of 155% over receipts in 2002 (JD511 million). A key assumption in setting this target is that 2004 will see a return to the higher performance levels of 2000 and 2001. Performance to date in 2004 is positive but it is not possible at this stage to say if the year will see a full recovery to 2000 and 2001 levels.

If the National Tourist Strategy (NTS) and its various sub strategies and recommendations are not funded and implemented, tourism by 2010 will reach JD780.3 million. If the strategy is property financed and implemented, the target of JD1.3 billion can be reached.

The WTO estimates that growth in international tourist arrivals to the Middle East region will be around 7 per cent per annum for the period ahead. The NTS shows that growth above 10 per cent will require marketing and competitive disciplines with 2 per cent of tourism receipts to be spent by the public sector and 3 per cent by the private sector on effective marketing activities as recommended.

Chapters 5, 6 and 7 of this document identify future source markets and forecasts growth rates for each market.

Marketing Budget Requirements

Table 13 shows marketing expenditure requirements in JD million to meet 2010 targets. Annual business plans will allocate and justify annual expenditure by market and by marketing activity in line with the overall strategy. In 2003, the JTB's budget was just JD1.5 million.

Table 13
Marketing Budget JD million 2004 – 2010

International Marketing Expenditure by:	2004	2005	2006	2007	2008	2009	2010
Public sector (2% of tourism receipts)	17.0	19.2	21.8	24.6	27.8	31.4	35.5
Private Sector (3% of turnover)	6.0	6.	7.3	8	8.8	9.7	10.7
Total	23.0	25.2	29.1	32.6	36.6	41.1	46.2

Source: NTS

Note: *Public sector expenditures are calculated at 2 percent of tourism receipts for 10 percent growth. The range is 1.5 percent to 3 percent. Private sector expenditures are calculated at 3 percent of turnover for 10 percent growth. The range is 3 percent to 6 percent. The calculation for the private sector is based on 3 percent of one third of the gross revenue.*

Marketing Jordan

The NTS has considered the tasks of marketing Jordan in three bands:

Destination marketing is implemented through a diverse programme that includes advertising, promotions, events, publicity, education and communication. It provides an umbrella under which more specific marketing becomes effective. It is funded dominantly by public investment from Government.

Product Marketing – promoting the products of Jordan to the niche and specialised markets for which these products are determining motivators. A shared funding alliance applies here where the public/private split is a variable, depending on the objectives and targets of the strategy.

Direct Selling – where product providers promote and sell their own specific products or services to customers directly and through representational or central reservations systems to which they belong. This activity is funded entirely by industry.

The purpose of this chapter is to outline the recommended strategic approach for the implementation of these tasks.

4.1 THE POSITIONING OF JORDAN

A strategic principle outlined in the NTS is that:

Jordan will position itself as a 'Boutique Destination'
with an expanded approach to niche marketing.

The NTS recommends the future "positioning of Jordan as a 'Boutique Destination'
which draws its lead products and brand themes from its patrimony
of heritage and nature, in the context of a secure, peaceful destination
and a friendly welcoming environment for high-yield visitors."

The implications of the new positioning require Jordan to define its motivational products, prioritise its markets, engage in target marketing and strive for positions of excellence in at least some of the selected product areas.

It is widely recognized that, to date, Jordan has concentrated too heavily on its historical heritage. In accepting the need to reposition, it is acknowledged that:

what has brought Jordan's tourism to where it is today,
will not bring it forward to meet the 2010 targets.

In its September 2002 report, The Product Development Work Group, an initiative under the NTS, identified the key priority segments that could provide high returns provided adequate product development and enhancement effort were exerted.

There is potential in the markets. But that is just one side of the equation. Without adequate investment on the product supply side, the impact of marketing communication will be reduced. If the destination over promises in its communication and then under delivers on the ground because there are gaps in the product and its delivery (i.e. services), the resulting negative publicity and negative word of mouth among niche segments will negate any positive impact that would result if the product delivery matches or exceeds their high pre-trip expectations. Niche segments present the best potential for attracting high yield tourist – it is vital that product development take place to deliver the promise.

Chapter 3 examined performance to date and identified areas of weakness such as declining market share, declining average annual growth rates for revenue and numbers and slippage in comparison to competing destinations. The new positioning and strategy is the best way to reverse these trends.

<u>How will 'boutique destination' positioning help?</u>

If it attempts to "be all things to all men", a destination is certain to service all market segments badly. To succeed therefore, the destination needs to identify its core target markets, the market segments which present best potential for producing high-yield visitors who desire the type of holiday that Jordan has to offer. These are the strategic and opportunity markets which present immediate and ongoing / long-term potential. Other markets should be regarded as tertiary or having possible potential in the longer and should benefit from reduced investment in both financial and human resources.

The new objective will be to attract the majority of visitors from the higher demographic groups (mostly educated, affluent professionals, urban dwellers) that will give the best yield and make the best use of the existing investment and product base.

Re-positioning Jordan as a boutique destination will mean that Jordan's attractions and key messages will be product and image based rather than location based.

There are many examples of other destinations who have successfully adopted this approach including;

- Dubai has succeeded in building a highly developed destination brand despite its location.
- Although considered by some as a mass tourism destination, Egypt's advertising communicates images of activities, adventure, fun, excitement etc using the 'Red Sea Riviera' tagline. Not until the reader sees the very end of the advertisement does he realise that the destination is Egypt. Up to then, the reader is impressed and influenced by the activity e.g. the diving is as good as in the Caribbean, the golf as good as in Spain etc. 'Egypt' and its location receive little attention. Note also that Egypt has a much greater spend per visitor than Jordan despite a policy that has forced down prices since 2001. (US$872 versus US$474).
- Ireland adopted a product marketing strategy from the late 1980s with the focus on activities and things to do. As a result, tourist revenues trebled between 1988 and 1999.

An important challenge is to overcome the misconception and allay fears that Jordan may be unsafe due to its geographic location. Consequently, this positioning with its focus on product and image aimed at high-yield niche markets is the recommended and best approach - it is achievable, differentiating, compelling, and long term.

4.2 BRANDING - APPLYING BRAND PRINCIPLES

Another strategic principle of the NTS is that:

Jordan will establish a "Destination Image" that can lead on to "Branding" at a suitable stage during strategic implementation.

What is a brand?

A brand involves the relationship between a customer and a company. It is the promise that is made and delivered upon by the destination. It is the sum of how the product or service performs, including how it is communicated, packaged, and delivered.

Brands have a style, a feel and a personality. Successful brands differentiate themselves from their competitors by creating a specific but different expectation and then consistently delivering on that expectation in everything they do. The brand that can create an emotional connection with its customer is the brand that has the edge on its competition.

Branding is concerned with image, reputation and experience. For Jordan tourism, the brand identify, brand values and brand personality must be relevant to the core target markets i.e. high yield customers who can help Jordan meets its 2010 revenue targets. If the brand is not relevant and enticing to them, it will not be effective.

How can branding be applied to tourism?

The principles of branding can be applied to tourism in much the same way as they are applied to the branding of any product or service. While the concept of repeat purchase may not be quite as relevant for tourism as for other consumer goods, the development of a strong brand is vital if Jordan's tourism performance is to change to deliver a higher spending tourist.

A strong tourism brand is what distinguishes a particular destination from its competition. It creates a powerful emotional connection between the destination and its potential customer. It also takes that connection to the next step i.e. the customer is sufficiently motivated by the promotion/advertisement etc to enter the market and do one of the following

a) contact a travel agent or tour operator
b) click on an internet site
c) contact an airline

3 routes to market

Branding is not simply designing a new logo, and executing an extensive media campaign using world-class creative. It is pertinent and applicable across all contact points in the customer journey from initial response to an advertisement, to visiting the web site, to contact with a tour operator or airline, to purchase of the holiday, to arrival in Jordan, and all elements of the holiday experience tight across the product and its delivery

THE BRAND PROMISE MUST PERMEATE THROUGH EVERY PART OF THE JORDAN HOLIDAY EXPERIENCE

The successful use of branding is, like any tool or technique, largely up to the craftsman using the tool. Branding is applicable across all elements of the holiday, not just the communication. Therefore, while the initial steps to true branding will be taken with new creative etc, the move towards the full and ongoing implementation will need to be addressed through training etc.

What are the benefits of branding?

The potential benefits of having a strong brand are vital for Jordan and the planned growth of its tourism economy. Strong brands can charge premium pricing; they sustain during economic downturns and, most importantly, they attract good partners and high-yield customers. Customers (trade and consumer) buy into the aspirational ideals of brands and they identify with the associated values and benefits.

> Spain represents a very good example of a strong tourism brand. Despite the effects of 9/11 and recession, its strong brand has led to it now being ranked second in the world for both tourism revenue and tourist arrivals, while France is first for tourist arrivals but third for tourism revenue. Spain has successfully attracted the "right" kind of tourist i.e. high yield. Spain has achieved this by promoting very specific activities and products rather than focusing on generic, non-themed messages.

Branding will help transform Jordan from a lower than average revenue per visitor to a high-yield customer base. A strong brand will differentiate it from its competitors and allow it to attract and build loyalty among desirable (i.e. high-yield) sets of customers.

The Principles of Branding

A number of principles or rules influence how brands are developed, managed and sustained:

- Brands and branding are about influencing behaviour.
- Brands are built on emotional connectivity. The benefit of a holiday in Jordan should appeal to potential customers on an emotional level. The stronger this connection and appeal, the higher the probability of the customer taking the next step and going to the market (tour operator, airline or web site) to buy their Jordan holiday.
- Brands will evolve best with basic ideas: simplicity, patience, and relevance. Tourism Brand Jordan cannot be developed and implemented as a quick fix. Heavy-duty market research is required to guide decisions.
- Execution of the brand is crucial: i.e. branding must be executed by everyone at the customer–facing level from the travel agent in the source market to the visa desk as the airport to the waiter in the restaurant to the bus driver etc - all the key contact points encountered during the holiday experience. If advertising or print suggests that Jordan is welcoming to tourists, then this must be the case on the ground.
- The consumer is the end-user, but the tour operator is the most frequent point of consumer contact. Both are key aspects of brand equity.

- Strong brands are clear about what they are and what they are not. They understand their unique value that sets them apart from the competition. Customers must know what makes Jordan unique compared to its competitors. This is achieved both through communication and delivery on the ground – it is not enough to simply say something unique about the destination – the tourist must feel and experience it on the ground too.
- Strong brands are consistent. They are always what they say they are and consistently communicate and deliver that. Communication with customers must provide consistent messages and imagery. One of the best ways for tourism destinations to ensure this is to provide a photographic image bank for use by the trade. E.g., it is important for potential European customers to see other holidaymakers in the photographs and images used in advertising, print etc. Photographs of empty spaces or deserted landscapes can create impressions of bleakness or isolation whereas photographs of the same places with holidaymakers who are obviously enjoying themselves while walking in and engaging with the unspoilt, deserted landscape will have a far greater influence and be of higher motivational value.
- Visibility for selected target audiences is essential. Strong brands are constant; they are always there for customers and prospects. They don't go into hiding. This was particularly relevant with reference to Jordan being able to maintain distribution channels (relationships with tour operators etc) in the marketplace during times of difficulty in recent years.
- Any gaps between the expectation and the experience must be fully filled or the brand suffers. If promotional efforts persuade people to holiday in Jordan, then their high pre-trip expectations must be met or exceeded on the ground.

The Approach

Qualitative research (including mystery shopper research in travel agencies and tour operators in the markets, consumer focus groups, trade interviews etc) will help clarify and understand the images and perceptions of Jordan that currently exist. This is the starting point in helping to define the brand positioning statement or brand template.

Detailed examination of the research findings will lead to a clear understanding of the desired messages and will help define the image, and describe the values and the personality of the brand.

Once the image is clearly defined (concentrated on image and product with location elements kept as subliminal as possible), the existing offering will be adapted to reflect customer demands and it will be taken to the marketplace. Promotional channels will include print and television advertising, trade and media relations, participation in travel fairs, web marketing etc.

Messages / Image Criteria

Some of the following images and messages will be considered in the development of the brand and communication of it. The image criteria also needs to differentiate between positive and negative images. Negative images need to be countered to allay any fears that may exist etc.

Basic expectations

- Deluxe accommodation. (Great 5 * hotel accommodation is no longer a differentiator – sophisticated consumers now expect it as the norm).
- Safe, secure, peaceful destination - overcome the fear factor.
- Safe for women and families - allay pre-conceived ideas about freedom for women etc.
- Good food is a vital part of the holiday experience.
- Good access and internal transport.
- Sincere, friendly welcome - vital that this improve at points of entry, especially airports.

Differentiation / Uniqueness

- A little bit different but the experience of a lifetime.
- But not just for a once in a lifetime visit.
- Exotic.
- Ancient culture with modern facilities.
- Range of products and things to do - what can be done in Jordan that is better than other destinations? Excellent delivery of the product is vital.
- Genuine hospitability.

Compelling reasons

- Competitive – value for money.
- Proximity to Europe – 'a short hop'.
- 'Fashionability' – portray Jordan as the place to go for niche segments.

Final decisions on image criteria will be based on the findings of consumer research.

4.3 COMPETITIVENESS

Prior to the recommendation of a boutique positioning and expanded approached to niche marketing, Jordan's most direct competitors for tourists in global markets were considered to be:
Israel, Egypt, Oman, Dubai, Lebanon, Syria, Tunisia and Turkey.

Through the lifetime of this strategy (to 2010) the make up of Jordan's competitive set will change. The new competitive set will be those destinations that are considered as alternative choices to Jordan in consumers' minds. The Competitive Comparative Study should be repeated vis a vis the new competitive set.

Competitiveness is concerned with a variety of factors including value for money, convenience, ease of booking, ease of access, standards, service delivery etc.

The 2003 Competitive Comparative Study compared Jordan to its competitive set across a number of criteria. Table 14 shows the results.

Table 14
Jordan and its competitive set

	Hotel Pricing	Tourism Infrastructure	Visitor Numbers	Tourist Yield	NTA Website	NTA's Trade Show	Market Performance	Air Access Price	Trade Opinion
Jordan	7	4	3	5	5	7	5	4	8
Egypt	9	8	7	7	5	7	9	7	8
Israel	7	6	4	9	2	3	4	7	2
Syria	7	4	3	7	1	3	4	5	3
Lebanon	7	4	2	8	2	1	4	6	3
Oman	8	2	1	2	0	0	3	6	2
Dubai	7	6	5	2	9	6	8	7	7
Tunisia	7	8	7	2	4	6	9	7	7
Turkey	7	9	9	7	6	8	9	9	7

Jordan's best scores were in the areas of hotel pricing, NTA trade show, and trade opinion. Tour operators in Jordan acknowledge that Jordan's hotels have good rack and corporate rates, but consider the prices charged for packages to be too expensive.

All other scores are average or below average.

In the key area of air access – scheduled services and price - Jordan's score was the lowest among its competitive set. This is a critical piece of information – Jordan is the most expensive destination when the average airfare is calculated across all routes.

Europe is Jordan's key strategic market for the immediate and long term. High airfares are a barrier to growth yet there is no conflict between cheap airfares and a boutique positioning. It is imperative that air access to Jordan be opened up if targets are to be met.

4.4 MARKETABILITY

The marketability of Jordan's tourism products varies by product. An examination of the current state of development for the main products matched against their motivational rating helps identify which products should receive priority when making decisions on marketing spend.

It is essential to close any gaps between perception and reality. To embark on advertising or promotional campaigns for products where there are clear 'missings' may result in short term gain but, over the longer term, this approach would do more harm than good. Hence the clear need for investment in product development.

Jordan's tourism products are:

1. Religious
2. Health and Wellness
3. Adventure
4. MICE (Meetings, Incentive, Conferences, Events)
5. Cultural Heritage
6. Adventure
7. Sports
8. Ecotourism
9. Cruising
10. Summer Holidays
11. SAVE (Scientific, Academic, Volunteer, Education)

In terms of being ready for the market, some are better placed than others. In many respects, marketability is a variable. As customers become more sophisticated and competition from competing destinations more intense, demands and expectations rise. As this trend continues, the need for investment to remain attractive to customers is ongoing.

<u>Which products should be given priority for promotion in which markets?</u>

Consultation with Jordan's tourism trade has helped identify priorities regarding which products should be promoted in which markets. The annual business plans will identify the necessary actions, the organisation/personnel responsible for implementation, the budget requirements, and the expected outcome necessary to effectively promote the products in the markets. In making final decisions, the strategic fit between the products and the markets in addressing the three key issues of

1. <u>Regionality</u> – a balanced spread of tourism revenue around Jordan
2. <u>Seasonality</u> – a balanced spread throughout the year
3. <u>Yield</u> – attracting high sending tourists

as well as the findings of further research will be taken into consideration.

Markets are classified as either
1. <u>Primary Markets with immediate and ongoing potential</u>. These markets should be given priority for marketing spend and resources.
2. <u>Secondary</u> markets with more medium-term potential. These markets show potential but investment in marketing in them should be made only after the primary markets have been given priority.
3. <u>Tertiary markets with longer-term potential</u>. Decisions to promote products in these markets will be made following more in-depth research in the market to firmly establish the real potential – when and if resources are available and other priorities have been implemented.

PRODUCT	COMMENTS
RELIGIOUS PRODUCT	Strategic Fit 1. Regionality Wide spread around Jordan with exception of Aqaba 2. Seasonality Easter is peak season for Christians (March-April). Omra for Islamic purposes all year round. 3. Yield People on religious holidays are considered not to be very high spenders. Primary markets with immediate and ongoing potential United States, Great Britain, Ireland, Italy, France, Iran, Lebanon, Gulf Secondary markets with more medium term potential Poland, Russia Tertiary markets which should be investigated in the longer term Iran, India, Korea, China, South America Marketing Methodologies that should be considered when compiling annual business plans: Familiarisation Trips, Specialist Publications.
HEALTH & WELLNESS	Strategic Fit 1. Regionality Mainly around the Dead Sea area and Ma'in 2. Seasonality All year round except Summer time 3. Yield Appeals to high yield tourists Primary markets with immediate and ongoing potential Germanic countries, Holland, UK, Gulf Region and Lebanon Secondary markets with more medium term potential France and Russia Tertiary markets which should be investigated in the longer term Italy and Scandinavian countries Note: consultation with the trade led to a recommendation that the two products Health + Wellness need to be treated differently. The Health product (both elective and non-elective) will have most appeal for the regional or near markets. Marketing Methodologies that should be considered when compiling annual business plans: Special brochures, Web marketing, Familiarisation trips, direct mail.

PRODUCT	COMMENTS
ADVENTURE AND ECO TOURISM	Strategic Fit 1. Regionality Currently mostly in Southern Jordan. New nature reserve in North of country will help spread numbers and revenue. 2. Seasonality Spring and Autumn. Aqaba for year round. 3. Yield Medium Primary markets with immediate and ongoing potential UK, France, Lebanon, Domestic Market Secondary markets with more medium term potential USA and Russia, other regional (apart from Lebanon) Tertiary markets which should be investigated in the longer term Japan Marketing Methodologies that should be considered when compiling annual business plans: Special brochures, specialist advertising, familiarisation trips.
MICE	Strategic Fit 1. Regionality Amman, Dead Sea, Petra 2. Seasonality All year round. 3. Yield Very high yield tourists. Primary markets with immediate and ongoing potential Europe, US, Gulf. Secondary markets with more medium term potential Close and regional markets. Tertiary markets which should be investigated in the longer term Canada. Marketing Methodologies that should be considered when compiling annual business plans: Special brochures, Familiarisation trips, specialist advertising, web marketing.

PRODUCT	COMMENTS
CULTURAL HERITAGE	Strategic Fit 1. Regionality Countrywide 2. Seasonality Spring and Fall. 3. Yield Medium yield tourists. Primary markets with immediate and ongoing potential Europe and the US. Secondary markets with more medium term potential China, Japan and Russia. Tertiary markets which should be investigated in the longer term South America. Marketing Methodologies that should be considered when compiling annual business plans: Trade Shows, Special brochures, Familiarisation trips.
SPORTS (DIVING, AERO SPORTS)	Strategic Fit 1. Regionality Mostly south of Amman. 2. Seasonality Year round. 3. Yield High yield tourists. Primary markets with immediate and ongoing potential Europe. Secondary markets with more medium term potential USA and Russia, Domestic. Tertiary markets which should be investigated in the longer term Gulf Markets. Note: Need for increased investment to provide infrastructure. Marketing Methodologies that should be considered when compiling annual business plans: Memberships of sports organisation, tournaments.

PRODUCT	COMMENTS
CRUISING	Strategic Fit 1. Regionality Aqaba 2. Seasonality March, April, May and November. 3. Yield Medium. Primary markets with immediate and ongoing potential International Markets + Asia. Secondary markets with more medium term potential International Markets + Asia. Tertiary markets which should be investigated in the longer term International Markets + Asia. Marketing Methodologies that should be considered when compiling annual business plans: Attend Cruise Trade Shows, Special Events around the year, Direct Sales.
SUMMER HOLIDAY	Strategic Fit 1. Regionality Good regional spread 2. Seasonality Summer. 3. Yield Medium. Primary markets with immediate and ongoing potential Domestic and Regional markets. Marketing Methodologies that should be considered when compiling annual business plans: Brochures, direct advertising, web sites, familiarisation trips, direct to consumer, events.
SAVE	Strategic Fit 1. Regionality Good regional spread 2. Seasonality Year Round 3. Yield Low. Primary markets with immediate and ongoing potential US Marketing Methodologies that should be considered when compiling annual business plans: Familiarisation trips, events, work with NGOs, museums and exhibitions.

<u>What products are ready for the market?</u>

Products that score highest on both development rating and motivational ratings are:

- **Heritage Tourism**
  Culture, History, Archaeology

- **Nature/Eco Tourism**
  Bird Watching, Wildlife, Flora

- **Health and Wellness Tourism**
  Dead Sea, Spa, Health

- **M.I.C.E**
  Conferences, Exhibitions, Incentives, Business Travel

On the supply side, these products are developed, but with scope for further development. On the demand side, they appeal to growing markets. These products are ready for the market and the task now is to let the relevant market segments know that Jordan has the ability and readiness for tourists who want these products.

Next in terms of readiness are:

- **Religiously Motivated Holidays**
  Roman Catholic, Muslim, Orthodox

- **Events**
  Festivals

While these products are developed, there is potential and need for further development. An example is the Baptism site where there is a need for investment to further enhance the visitor experience.

Following these are a number of products that are not yet well developed but appeal to niche markets. These products have good potential for targeting high-yield tourists.

- **Activity Tourism**
  Trekking, Wadi Bashing , Rock Climbing, Ballooning, Adventure, Diving, Water sports / Beach holidays

- **Desert Tourism**
  Desert Experiences

- **Sports Tourism**
  Horse Racing, Horse Riding, Camel Racing, Golf

These findings should be used to help prioritise marketing spend. The recommendation of a niche marketing strategy which will lead to branding is justified based on these findings.

4.5 RESEARCH

The deficiency in quantitative and qualitative data is well recognised and the NTS has identified market research as a critical success factor to empower the targeted and segmented marketing that is the essential essence of boutique positioning.

The quality of marketing decisions depends largely on the information available to decision-makers. The function of market research is to provide such information.

Lack of up to date, accurate information leads to uncertainty. Uncertainty leads to poor decision making, which leads to wasteful expenditure (usually expensive advertising and promotions), and efforts to exploit the wrong markets.

Because consumers can be fickle and prone to shifts in fashionability, the search for accurate information about the customer and the marketplace must be viewed as an ongoing process.

In the newly restructured and resourced JTB, research and market planning will be a strategically important function. It is imperative that the functional area be adequately resourced with skilled, experienced personnel to ensure that uncertainty and poor decision-making do not feature in Jordan's tourism future.

To empower targeted and segmented marketing, there is a continual need for answers. The following questions are examples of information gaps that exist;

- Who are Jordan's customers and key market segments?
- What markets is Jordan in?
- Who are Jordan's main competitors?
- What products are potential customers looking for that Jordan can provide?
- Which source markets should get priority of marketing spend?
- How should Jordan communicate with potential customers?
- What will potential customers want to hear about Jordan's product?
- What does Jordan's potential customer think of Jordan relative to its competitors?
- Where or how will Jordan's potential customers buy Jordan's product?
- How much will people pay?

Some work has taken place to fill some of these voids (e.g. *Comparative Competitive Analysis*, *Amir-Jordan Tourism Survey among Arab tourists*). In addition to the qualitative research required at brand development stage, going forward, an annual programme of quantitative and qualitative research is recommended:

1. Annual Survey of International Tourists

The objective of such an annual survey would be to determine visitor and trip characteristics. A representative sample of international tourists (representative across all markets and niche segments) should be surveyed by written questionnaire. As well as overall top line results, data will be analysed by source market. This will be of particular benefit in helping to make decisions on which niches should be targeted in the various geographic markets.

Information gathered should include but is not limited to;

- Purpose of visit
- Route of entry
- Time of arrival
- Length of stay
- Travel arrangements (use of travel trade, internet etc)
- Regions visited

- Accommodation usage
- Participation in activities
- Holiday planning (timing, length of time before travel etc.)
- Holiday expenditure
- Holiday / visit experience
- Value for money

2. Annual Visitor Attitudes Survey

This post-visit survey will be more concerned with motivations and influencing factors and why people chose Jordan as their holiday destination. It will include pre-visit expectations and post-visit experiences, satisfaction levels and ratings of specific aspects of the tourism product. For convenience the survey is carried out as an exit survey as visitors depart. The findings will be valuable in measuring how the brand is executed across all customer contact points and in measuring delivery of the product and service levels.

3. Hotel Survey

To be carried out in partnership with the JHA, this survey will examine the sector's performance in terms of room and bed occupancies and sources of business.

4. Acquisition of third party research / market intelligence

A certain amount of research can be acquired commercially from existing sources – e.g. World Tourism Organisation etc.

5. Brand and communication awareness

When new creative is produced and as branding is implemented, there will be an ongoing need to measure the relevance for, and awareness of, the brand among customers as well as their relationship with it.

6. Market Share

Analysis of Jordan's market share will be a useful measure in assessing its market penetration performance vis a vis competitors. Its ranking over time (i.e. trends), rather that at a particular point in time is important. Therefore monitoring its performance will be an important focus for the research and planning section of the new JTB.

<u>How?</u>

Some information should come from the Government's statistical services where they are organised appropriately; otherwise, research projects should be outsourced to professional market research companies who have the expertise and experience to carry out projects of this scale. Contracts for the various annual projects should include;

- Questionnaire design (for quantitative research)
- Topic discussion guide (for focus group qualitative research)
- Sample selection
- Field work
- Data input and analysis
- Interpretation of findings and recommendations

4.6 NICHE MARKETING

The NTS recommends the adoption of a niche marketing strategy as a core strategy within a boutique positioning.

What is niche marketing?

Niche marketing which is based on detailed segmentation, is concerned with identifying, communicating with, selling to, and obtaining feedback from those potential customers who are the best prospects for Jordan and its tourism product and motivational offerings. It is the converse of general or untargeted marketing.

It's about knowing who are those customers who will be most motivated by the offering and will give the best return on marketing investment resulting in a higher yield per visitor. If done properly, it can be extremely cost effective.

For any business, picking the right market segments and niches is vitally important to achieve sufficiently large sales volume and profitability to survive and prosper.

For tourism destinations, picking the right niches or segments is the modern key to growing tourism revenue rather than focussing on growth in visitor numbers. For this reason, the most successful tourism destinations have all embraced niche marketing and placed it firmly in their strategy.

For Jordan, it is the key to meeting the agreed national targets for tourism revenue for 2010.

Picking the right market segments means that they are:

- measurable in quantitative terms particularly revenue yield
- substantial enough to generate projected increases in revenue
- accessible to distribution methods
- receptive to planned marketing communications

In practical terms, segmentation or niche marketing is best explained by way of example:

Segment 1:
Senior executives/professionals with 25 days annual leave, European city dweller, is interested in activity holidays, e.g. trekking in Wadi Rum, usually holidays for 14 nights, is in his early 30s, has high disposable income, and takes an annual holiday abroad with his partner whose passion is also for nature/the outdoors and related activities.

Segment 2:
The 'empty nesters', married couple, early 50s, university educated, with time and disposable income for travel, already widely travelled and experienced, have their own 'must see' list of places and Petra is on the list. They like 5* hotel accommodation and a high level of quality facilities. This segment is important in addressing seasonality issues as they are free to travel at any time of year.

Segment 3:
Single person, middle aged, interested in a religious trip to the Baptism Site, likes to travel as part of a small group when travelling abroad. Tends to travel off-season when there are smaller crowds.

Segment 4:
The dive fanatic who wants to dive at all the top dive sites in the world before she turns 50 but has a lot of pressure on her time, having a busy lifestyle. Likes to arrive at a destination and get a dive in on the day she left home if possible. Usually travels with 2 other divers and is influenced most on where she should dive / holiday by recommendations in the chat rooms of specialist diving web sites and features in specialist diving publications.

Segment 5:
The wealthy Saudi Arabian family who like to go abroad for a month's summer holiday to avoid the high temperatures back home. Has young children and is concerned with relaxation and luxury for the parents and a wide variety of activities to keep the children occupied. Accommodation must offer privacy.

This is an illustration of five very different segments. All belong to the higher demographic groups, groups that will give best yield and make best use of Jordan's product base.

What are the similarities?

more importantly

What are the differences?

Each segment has its own unique traits and characteristics and must be treated accordingly. They will read different newspapers and magazines, watch different types of TV programme, use different types of travel agency, have different levels of internet usage for travel planning, travel at different times of the year, have varying amounts of free time for holidays etc etc.

Niches are created by lifestyle. Consumers in niche segments will aspire to a certain lifestyle and adopt its characteristics and behave according to those characteristics.

Niche marketing is about recognising that
different niches need different approaches,
and that when communicating with people at a niche level,
it is important to speak their language.

Developing niche markets will be an important, long-term strategy for Jordan. Further market research is required to understand which niches to focus on and in what order of priority. The findings coupled with the varying levels of marketability of certain products, will help make good decisions.

As the NTS points out, once researched and understood, niche markets are easier to communicate with and produce higher levels of repeat and referral (word of mouth) business.

4.7 WEB MARKETING

The growing use of the Internet as a travel-marketing tool and the increasing propensity for tourists to carry out transactions online makes an effective web site imperative. The internet is one of the three routes to market (the other two being the airline and the tour operator).

The *Website Development Requirements Specification* is currently nearing completion. The new site will strengthen Jordan's position in reaching global markets by providing both consumer and trade information, as well as links to relevant sites where consumers can purchase their holiday package or individual elements of it.

The web site can be developed to strongly support the niche marketing strategy, by providing information on Jordan's various products and activities as well as links to the sites of specialist, niche tour operators.

Experts believe that the travel industry is one of the sectors that is best suited for e-commerce and that consumers will increasingly purchase directly from suppliers/producers without going through an intermediary. While this is true to varying extents for all markets, those with higher Internet penetration will be the most likely to use the internet as a tool for cutting out the intermediary. For example, despite 9/11, online bookings in the US rose by 27% in 2002 over 2001.

Another feature of Internet sites is that they facilitate comparison shopping so price and value factors become more transparent. However, the boutique positioning of Jordan will mean that its potential customers are less price sensitive than customers who are part of mass markets, and are therefore more concerned with unique experiences and value for money rather than with low prices. (Low prices remain a concern for access).

What purposes will the web site serve?

1) Information and fulfilment (Business to Consumer [B2C])

The principal purpose of the new site will be to act as a B2C tool to provide promotional and servicing information about holidays in Jordan.

The site will act as an anchor site. Visitors to the site will arrive there following a call to action in advertising, travel article, print piece, holiday fair etc. Once there, the visitor can search for information on access, activities, accommodation, ground transport, tour operators, historical sites, shopping as well as practical information about weather, currency, entry and visa requirements etc.

In essence, the site will contain all the information a potential customer could need to help them plan their Jordan holiday. The highest standards of presentation and functionality will ensure that the site is easy to navigate and that potential customers gain real value from using it. The visitor who is only interested in e.g. trekking will easily find the trekking pages and not have to spend time searching unnecessarily through content about products in which he has no interest.

2) Support tool for the trade (Business to Business [B2B])

The B2B area of the site will include: details of Jordanian tour operator services for international tour operators and travel agents, Jordanian tour operator MICE programmes, Jordanian tourism product suppliers and service providers who wish to develop partnerships with international travel agents and tour operators etc. A photographic image bank for use by the trade will be important in ensuring that consistent images are used in customer communications.

The media centre will include important information for travel media including: Media Visits - Planning Your Trip to Jordan, Getting Around Jordan, Filming in Jordan, Story Ideas, Images/Photography Bank, What's New, Recent Press Releases, Jordan Tourism Statistics, Frequently asked Questions (FAQs) etc.

3) Links to other sites

An extensive links section will allow visitors to visit partner sites such as airlines, tour operators etc and make bookings, purchase elements of the holiday etc online.

<u>What markets / what languages?</u>

Decisions on localisation other than Arabic and English will be based on two main criteria:

- The need to secure business from those markets which present the best potential
- Web penetration levels in the market

Obviously if a particular European market has low growth forecasts to 2010, then the cost of localisation would not provide a good return on investment.

Consequently, the main languages will be English and Arabic, with next priorities being French and German. Decisions on timing for additional language sites will be a task for annual business plans. Given the different characteristics of intraregional and international markets, content will differ according to market characteristics.

Additional but lower priority languages for localisation are:

- Spanish
- Italian
- Russian
- Japanese

Given the high levels of English as a second language in some markets, investment in localisation may not be justified.

<u>Data capture</u>

Capturing data from visitors to the site will be an important way of building a valuable marketing database. To adhere to data protection laws, the registered user database will be used only for direct JTB communication unless the user has authorised the use of their data to be sent to 3rd parties (tour operators, hotels etc) for use in their own direct marketing promotions.

However, as outlined in chapter 9, under the new partnership approach for marketing Jordan, greater co-operation between all those concerned with marketing the destination will be the model for the future. This will mean that in many cases promotions to the database will be joint promotions from JTB and its partners.

Featuring Jordan on other Internet sites

The internet is a giant marketplace and Jordan must develop a programme to ensure that people in the marketplace who want information on Jordan holidays can easily find it.

Guidebook Internet sites such as www.travel.roughguides.com are an important resource for tourists. They provide information, links and help visitors design their own itinerary. As well as building a world-class site for Jordan, there is a duty to ensure that other important travel sites feature Jordan in both content and links.

For example, on the Rough Guide web site, there is a section for the Middle East and Africa but no mention of Jordan as a destination. So, while there is a Rough Guide to Jordan in book form, there is little or no content about Jordan on their web site.

As is widely acknowledged, positive word of mouth promotion i.e. referral business, is one of the most powerful ways of communicating with potential customers. Internet chat rooms and message boards are very powerful in this regard.

A recent study on travel internet sites, found that people in niche markets who have an dinterest in particular products believe that information provided on niche sites is more accurate than the content of larger travel sites. Increasing awareness of Jordan as a destination among niche travel web sites should form part of the media campaign in the markets. As well as having product specific sections within the main Jordan web site, Jordan should also feature on product or niche sites. E.g: desert trekking in Wadi Rum should feature on whatever quality, niche internet sites exist for people interested in desert trekking holidays.

4.8 RELATIONSHIP MARKETING

At its core, relationship or one-to-one marketing is about understanding customers and providing custom solutions that satisfy their needs. It is linked to research, niche marketing, and web marketing. The more relevant information that can be collected from online visitors, the more targeted and personalised permission based email updates and newsletters can be.

Relationship marketing generally has four key components:

1. It has to be personalised
Personalization can be a highly targeted direct mail piece, a phone call or email. If a site visitor has given their name, it should be used in future communication.
2. It has to be targeted
Targeting customers through programmes that reward loyalty is good for long-term relationships.
3. It has to be meaningful
Marketing messages should connect in an emotional way. Email notifications should be based on stated areas of interest. Likewise if someone has stated that they intend to travel in March, they shouldn't receive information about events that take place in August or priced promotions for other seasons.
4. It should be interactive and have a perceived value
e.g. by providing special offers to those who supply their email address. It is important to make relationship marketing interactive to gather feedback, determine what is working and what is not.

4.9 RELATIONSHIP WITH ROYAL JORDANIAN

Link between tourism and air transport

It is widely acknowledged that the link between tourism and air transport is a strong one, and that the demand for air travel and tourism follow parallel paths. A WTO survey shows that 43 per cent of global international tourist arrivals are by air. This pattern is mirrored in the Middle East; a WTO survey on the region found that 40 per cent of international arrivals in 2000 were by air. For Jordan, the share of tourist arrivals by air in 2002 was 22%, falling to just 7% for Gulf arrivals. This is because of its high dependence on close markets for the majority of its tourist numbers.

Access transport is one of the six pillars of tourism, an essential requirement if a destination is to be successful in attracting high-yield, sophisticated, and discerning visitors.

The NTS has explained the important contribution tourism can make to Jordan's economy. This should encourage government to move towards a more "open skies" policy, as governments throughout the world increasingly realise that the strict regulatory and ownership policies of the past hampered the free flow of tourists. This is now due to be in place by 2007.

The strong interdependence between tourism and air transport means that dialogue and co-operation between Royal Jordanian and the Jordan Tourism Board and tourism industry is not only desirable, it is essential.

Royal Jordanian Airlines and Jordan Tourism Board

The NTS has identified that the JTB is at a distinct disadvantage relative to other national tourism authorities in that it must pay for the flights for incoming journalists and tour operators. Tourism today is a competitive business; with enormous pressure to get the greatest possible return on marketing spend.

For the JTB to have to pay the national carrier for flights for international travel trade and media flies in the face of co-operation and indicates a poor understanding of the importance of media and trade familiarisation in helping to grow tourism.

The current relationship between RJ and JTB must be enhanced with a greater willingness to share marketing information, pool resources and, overall, much greater co-operation between the two organisations. Both need to recognise that, together, they will have a far greater impact on the marketplace, and that working jointly will give a greater return on investment. Working together for Jordan will be mutually beneficial.

It is recognised obviously that commercially sensitive information will be private. However, the JTB and RJ are not competing businesses, and this principle should become the cornerstone of the enhanced relationship.

As well as free (or minimum charge) flights for journalists and travel trade, other areas of co-operation can include joint promotions to launch new routes, discounted fares for JTB and industry when travelling overseas on tourism business, joint advertising and joint direct mail campaigns to promote special offers and price led campaigns etc.

The national interest requires this relationship to operate effectively.

Cost of Air Fares

Access is just that. It is not the holiday, it is not the destination. Increasingly, air travellers are more concerned with the cost of the flight that with the in-flight service, the airline brand etc and the lowest price possible is the best price.

Profitability or the lack of it in airlines is more frequently an issue of failure to deal with their cost base and marketing rather than the price they get for their fares. Low cost airlines have proven the point that they can operate very profitability at low fares because of their effectiveness in the overhead control and marketing areas. Every airline cannot fully take this route to the full extent but success lies in that direction rather than in any other, as travel is now virtually a commodity service.

In Ireland, Aer Lingus, the national carrier has been extensively restructured and says that its low cost fares and cost-reduction strategy has worked to completely turn around the profitability of the company. It found that its traditional image as a full price, full service airline served as a big handicap at a time when passengers are more price conscious. Its new, very simple formula is to drive down costs and reduce airfares. Lower airfares stimulate demand and lead to new routes and increased capacity on existing routes.

The NTS target of increased tourism revenue to JD1.5billion by 2010 will require increased air capacity and new routes from regional and international markets. The model adopted by Aer Lingus deserves examination by RJ if it is to play its role in increasing access to Jordan between now and 2010.

Leisure travel is just one sector of air travel. However, An American Express survey found that 54% of its clients are now buying discounted fares, once the sole province of the leisure market. Changing trends in the marketplace mean that travellers (business or leisure) are more concerned with price than ever before, so the importance of the leisure sector must be recognised and catered for.

As well as Royal Jordanian there are numerous other airlines flying into Jordan. Nurturing relationships with these airlines is an important task for JTB and Jordan tourism trade.

The Comparative Competitive Analysis found that Jordan's score was the lowest among its competitive set for air access.

This is a critical piece of information – Jordan is the most expensive destination when the average airfare is calculated across all routes.

High air fares are a barrier to growth. It is imperative that air access to Jordan be opened up if targets are to be met.

5. INTERNATIONAL STRATEGIC MARKETS

5.1 IDENTIFICATION OF THE MARKETS

Potential for outbound tourism is directly linked to a country's economic situation. Accordingly, the world's developed countries are the main generators of international tourist numbers and tourism revenue. On an annual basis countries with rising levels of disposable income will constitute the most productive markets for increasing share and achieving growth.

The WTO predicts that long-haul travel to the Middle East will grow at 7.5 per cent a year between 1995 and 2020. This increase reflects the worldwide trend towards increased long-haul travel. By 2020, there will be 18 million more long-haul arrivals in the region than intraregional ones.

Main Generators of International Tourist Arrivals

WTO data show that Europe is the world's largest generating region. In 2001, it was the source of 58.2 per cent of international tourist arrivals (402.8 million arrivals). It was followed by the Americas at 17.9 per cent (123.9 million arrivals); East Asia and the Pacific at 16.3 per cent (112.9 million arrivals); Africa at 2.4 per cent (16.3 million arrivals); Middle East at 1.8 per cent (12.3 million arrivals); and finally, South Asia at 1.1 per cent market share (7.9 million arrivals).

Between 1995 and 2000, the largest average annual growth rates in international tourist arrivals by generating region was achieved by South Asia (9.2%), followed by Middle East (7.5%), East Asia and the Pacific (5.5%), Europe (4.8%), Africa (4.7%) and, finally, the Americas (3.9%). Highest growth rates were achieved by those regions starting from lowest bases.

Europe is a key strategic market for Jordan as it has a propensity to travel of 64%. The United States propensity to travel is just 26%. The American market takes longer to recover in a time of crisis than European markets. Consequently, its potential is more medium term than immediate.

Main Generators of International Tourism Expenditure

Looking at revenue, the United States is ranked number one, accounting for 12.7 per cent of international tourism expenditure. Much of this however goes to Canada, Mexico and the Caribbean that are immediately adjacent.

Of the world's top fifteen tourism spenders, nine are in Europe, and eight of them are among the top twenty source markets for Jordan's tourist arrivals. The exceptions are Japan, China, Hong Kong, Austria, Republic of Korea, Sweden and Switzerland.

Table 15
World's Top Tourism Spenders

Rank		International Tourism Expenditure (US$ billion) 2000	2002*	Market Share 2002*
1	United States	64.5	58.0	12.2
2	Germany	47.6	53.2	11.2
3	United Kingdom	36.3	40.4	8.5
4	Japan	31.9	26.7	5.6
5	France	17.8	19.5	4.1
6	Italy	15.7	16.9	3.6
7	China	13.1	15.4	3.2
8	Hong Kong (China)	12.5	12.4	2.6
9	Netherlands	12.2	12.9	2.7
10	Russian Federation	n/a	12.0	2.5
	Belgium	9.4	9.8*	2.1
	Austria	8.5	8.9*	1.9
	Republic of Korea	6.2	6.9*	1.5
	Sweden	8.0	6.8*	1.5
	Switzerland	6.2	6.8*	1.4

Source: World Tourism Organisation. Data collected in WTO database Sept 2002.
Note: * 2001 data is shown for Belgium, Austria, Korea, Sweden, and Switzerland.

Growth Forecasts for Outbound Travel to All Destinations 1995-2020

Table 16 below shows forecasted average annual growth rates for outbound travel to all destinations between 1995 and 2020 by source region. The forecasts echo the performance between 1995-2000 for many of the regions. Global events since 2000 will influence some countries' forecasted growth more than others, depending on how quickly the market recovers in a time of crisis.

Table 16
Outbound Travel to All Destinations Average Annual Growth rates (%) 1995–2020

2.5 - 3.4%	3.5 - 4.4%	4.5 - 5.9%	6.0 - 8.3%
United States	Eastern Europe	Middle East	China
Canada	Russia	Libya	Japan
Mexico	Central America	Egypt	East coast of Africa
Western Europe		India	Indonesia
Western and central Africa		Australia	Thailand
		New Zealand	
		South America	

Source: World Tourism Organisation

Growth Forecasts for Outbound Travel to the Middle East

Table 17 below shows forecasted average annual growth rates for international tourist arrivals to the Middle East for 1995-2020 and 2000-2010. Global events since 2000 will influence some countries' forecasted growth more than others depending on how quickly the market recovers in a time of crisis.

Table 17

International Tourist Arrivals by Tourist Generating Region and Subregion to the Middle East
1995-2020 and 2000-2010 Growth rate (% p.a.)

	1995-2020	2000-2010
Total	7.1	7.0
Africa	6.5	6.1
North	7.8	7.5
West	5.1	4.8
Central	5.1	4.8
East	5.1	4.7
Southern	11.3	11.2
Other Africa	5.4	5.0
Americas	7.5	7.9
North West	7.5	8.0
Caribbean	5.4	5.0
Central	7.3	6.9
Southern	7.4	7.8
Other Americas	7.4	7.8
East Asia/Pacific	7.5	8.5
North-East	8.5	10.5
South-East	8.1	10.5
Australasia	8.3	9.8
Other East Asia/Pacific	7.0	7.5
Europe	7.7	8.0
Northern	7.5	7.5
Western	7.4	7.5
Central/Eastern	8.4	8.5
Southern	8.0	8.0
East Mediterranean	7.9	8.5
Other Europe	8.0	8.5
Middle East	6.5	6.0
South Asia	7.8	7.6
Not Specified	8.0	8.0
Intraregional	6.5	6.0
Long-haul	7.5	7.7

Source: World Tourism Organisation

Tables 16 and 17 present separate forecasts for travel to all destinations and to the Middle East. Taking the figures in isolation, one could make the assumption that those regions and

subregions with the highest forecasted growth rates (Southern Africa, North-East Asia, South-East Asia and Australasia among others) should automatically be the ones to receive priority for Jordan's future marketing campaigns. To do so in isolation would be unwise.

Marketing budgets will never be limitless. Therefore, it is essential that those segments and markets, which present best real potential, receive preference in terms of marketing resources.

Economic Situation in Jordan's Strategic and Opportunity Markets

Table 18
Gross National Income (GNI) per capita 2002
Jordan's Strategic and Opportunity Markets

	US$
Australia	19,740
Belgium	23,250
Canada	22,300
Macau, China	14,380
France	22,010
Germany	22,670
Hong Kong, China	24,750
Hungary	5,280
Italy	18,960
Japan	33,550
New Zealand	13,710
Russian Federation	2,140
Republic of Korea	9,930
South Africa	2,600
Spain	14,430
Sweden	24,820
Switzerland	39,930
The Netherlands	23,960
United Kingdom	25,250
United States	35,060

Source: World Bank
GNI was previously known as Gross National Product (GNP).

Market Attainability Analysis

Market Attainability Analysis attempts to ascertain the real potential of a source market by looking at a range of additional factors including

- Economic situation in source market
- Disposable income
- Propensity to travel
- Average expenditure per head
- Cost of doing business in the market
- Existing awareness levels among trade and consumers
- Past performance to Jordan i.e. market share and growth trends, not just numbers
- Appeal of Jordan's product offering to select segments
- Average annual growth for expenditure on international tourism (1995–2000)
- Air access

For example, while North-East Asia is forecast to grow tourist numbers to the Middle East by 10.5 per cent p.a. by 2010, the real cost of achieving this growth may be prohibitive. Japan is a classic example of a tourism market with great potential for growth but a high cost associated with achieving that growth. When the principles of market attainability are applied, it becomes a less attractive option.

Further research in the markets is required to make definitive decisions on expenditure. This will be an important task when preparing annual business plans.

Forecasts of Tourist Arrivals to Jordan by Source Market 2004 -2010

Table 19 identifies targets for visitor numbers for Jordan's key strategic and opportunity markets from 2004 to 2010. In making forecasts, WTO data (see tables 15, 16 and 17), financial data (table 18) and NTS indications have been considered. Some of the key assumptions are listed below. Additional information used to guide the setting of the forecasts is presented by market on the pages that follow.

- The NTS makes the assumption that 2004 will see a return to the performance levels of 2001. MOTA statistics are used for 2000 and 2002 figures (columns 3 & 4).
- The % growth rates in column 2 are arrived at based on information in Tables 16, 17 and 18 and by applying the principles of Market Attainability Analysis. It should be noted that WTO forecasts were made before the events of 2001/02/03, so they have been adjusted in estimating these forecasts.
- Europe has a high propensity to travel of 64%, the US figure is 26%. Data for East Asia or a breakdown between Western and Eastern Europe is not available.
- In most cases, potential customers will be urban dwellers. This will be even more pronounced for the East Asian markets.
- Growth in excess of 10 per cent p.a. requires marketing and competitive disciplines and 2 % of tourism receipts to be spent by the public sector and 3 % by the private sector on marketing.
- There is suppressed demand for travel in Eastern European. Above other markets, Eastern Europeans are more interested in priced and bargain offers as price and value for money are primary concerns. All-inclusive packages are the preferred option. These markets will be important in addressing seasonality, as travel season will be chosen based on the availability of low cost packages.
- There is also some suppressed demand in Western Europe, which should help see it regain some of its pre 2000 impressive growth rates. Switzerland is included in the forecasts for Western European growth in table 19.
- ** The JTB has appointed a new agent for the Russian market and has set a target of 35 per cent increase in numbers in year one. This is achievable as the current base is very low (just over 4,000 tourists). For years 2 and onwards, the percentage increase is more likely to be in the region of 20 per cent which is achievable (from a low base) for Eastern Europe as a whole from 2004 to 2010.
- In its report *Tourism 2020 Vision for the Middle East*, the WTO has forecasted that by 2010, there will be 2,791,748 tourist arrivals in Jordan. This is almost double 2002 levels. Again, it should be noted that this forecast was made in 2000.

- For the Middle East region as a whole, the WTO predicts that the intraregional/long-haul split will change from 42:58 to 37:63. However, regional markets also present significant heretofore-untapped revenue potential for Jordan. The profile of current regional tourist does not match its aims and potential of attracting high-yield tourists. See chapter 6 for detail.

Table 19

Forecasts for Tourist Arrivals to Jordan by Source Market 2004 -2010 (1,000) using forecasted average annual growth rates (%)

	(%)	2000	2002	2004	2005	2006	2007	2008	2009	2010
Western Europe	10.00%	275	126	170	192	211	232	256	281	310
Eastern Europe **	20.0%	30	25	25	30	36	43	51	62	74
Southern Africa	12.00%	3	2.1	1.7	1.904	2.13	2.39	2.67	3.00	3.36
Other Africa	5.50%	3.1	2.9	2.4	2.532	2.67	2.82	2.97	3.14	3.31
Americas	4.50%	122	67	70.3	73.4635	76.77	80.22	83.83	87.61	91.55
North-East Asia	9.50%	13	9.4	10.4	10.868	11.36	11.87	12.40	12.96	13.54
South-East Asia	9.50%	23.3	22.3	15.5	16.9725	18.58	20.35	22.28	24.40	26.72
Other Asia	7.00%	6.1	4	3	3.21	3.43	3.68	3.93	4.21	4.50
Australasia	8.00%	15.1	8.6	10.3	11.124	12.01	12.98	14.01	15.13	16.34
Total	8.72%	499	270	313	343	375	411	450	495	544

The new focus for measuring tourism performance in Jordan is tourism revenue not tourist numbers. The strategic revenue increase has to be met by combining action on a number of fronts – increase in numbers, increase in per capita revenue and increase in length of stay.

As seen in chapter 3, Jordan receives lower per capita (US$485) revenue from its tourists than the Middle East average and competing destinations. The new boutique positioning of Jordan will help address this poor performance.

Data on revenue by source market is not currently available.

That being said, it is safe to assume that the strategic European markets have a higher per capita spend than the Eastern European or regional markets (particularly the profile of visitors that Jordan currently receives).

Decisions on marketing expenditure by market are a function of annual business plans and cannot be made at this stage until more detailed market research (to establish revenue by source market) takes place.

Short length of stay is a particular feature of the regional markets – see chapter 6. A new approach to marketing will target the significant heretofore-untapped revenue potential of the regional markets.

The purpose of table 19 is to give some indications of the likely tourist numbers that will result from boutique positioning and targeted marketing campaigns in Jordan's strategic and emerging markets. By attracting this level of tourists from Europe, the revenue increase would be greater than a similar increase in numbers from regional markets.

The Markets

For all markets, the main objective will be to attract customers from the higher demographic groups (mostly educated, affluent professionals, urban dwellers) that will give best yield and make best use of the existing investment and product base.

Strategic Markets with immediate and ongoing potential.	Secondary/Opportunity Markets with medium term potential.	Tertiary Markets which have some longer term potential
Western Europe	United States	North-East Asia
United Kingdom	[1]Eastern Europe	South-East Asia
France	Russia	Australasia
Germany	Poland	Southern Africa
Italy	Czech Republic	
Spain	Hungary	
Benelux (Netherlands & Belgium)	Switzerland	
China	Sweden	
	Austria	
	[2]Brazil	

Additional Background Information by market

Accurate inbound data is easier to obtain than accurate outbound data. Where information was available, it is included. Sources include WTO, European Travel Commission (ETC), World Bank, OECD, and JTB overseas offices.

Germany

- Average annual growth for expenditure on international tourism fell by 2.7 per cent between 1995 and 1999.
- Germany produces almost 60 million holiday trips per year and in 2002 was the second biggest spender on international tourism (11.2% market share in 2002).
- Medical insurance companies are considered the equivalent of tour operators for the health & wellness segments.
- The OECD has forecasted that real GDP will grow by 1.7 per cent in 2004 over 2003. It will grow by 2.0 per cent between 2005 and 2008.

France

- Average annual growth for expenditure on international tourism grew by 3.4 per cent between 1995 and 1999.
- France produces around 10 million holiday trips per year and in 2002 was the fifth biggest spender on international tourism (4.1% market share in 2002).
- The OECD has forecasted that real GDP will grow by 2.6 per cent in 2004 over 2003. It will grow by 2.1 per cent between 2005 and 2008.

Russian Federation

- The Russian Federation joined the list of the world's top tourism spenders at position number 10 in 2002 when it spent US$12.0 billion on international tourism (2.5 % market share).

[1] Decisions on where in Eastern Europe marketing activity should occur will be driven by the market's potential to deliver high-yield tourists. Growing tourist numbers is not the focus; the concentration must be on increasing revenue and spend per visitor.

[2] Access from Brazil is currently poor. The market cannot be developed unless access is also developed.

- Only a small minority of Russian holidaymakers spend more than $100 per night abroad.
- A newly appointed JTB agent commenced work in 2003 and the JTB predicts that the market will grow by 35% in year 1. RJ estimates that 90% of travellers on its Moscow flights are tourists.
- At present Russians take about 5 million trips to Europe per year, half of which are holiday trips. The main destinations are Turkey, Germany and the Baltic States.
- In the last five years only 6% of Russians have taken an abroad holiday. 12% or about 13 million Russians are interested in taking abroad holidays within the next three years. Only 2 million of these can be considered "strong core potential". The other 11 million are to be considered "weak core potential".
- Russians make use of the services of the trade for approx. 80% of holiday trips.
- The ETC states that there is a need for more activities of the national tourist boards on the Russian market with a strong emphasis on consumer-related advertising and PR.
- It also believes that a pre-condition for all trade activities in the Russian market is that the national tourist board approach the tour operators as well as travel agencies (almost more important).

United Kingdom

- Average annual growth for expenditure on international tourism grew by 10.1 per cent between 1995 and 1999.
- Britain produces around 30 million holiday trips per year, and is third on the list of spenders on international tourism (8.5% market share in 2002).
- Around 80% of UK tourists to Jordan use the services of a tour operator.
- Diving is difficult to sell due to flight times from the UK (visitors must overnight in Amman).
- Dubai and South Africa are most popular destinations for the MICE segment from the UK.
- Jordan (3 days) is included as part of a 10 day tour to Israel. There is uncertainty and a low awareness level in the market about where most religious sites are located – Israel or Jordan.
- The OECD has forecasted that real GDP will grow by 2.6 per cent in 2004 over 2003. It will grow by 3.5 per cent between 2005 and 2008.

Italy

- Average annual growth for expenditure on international tourism grew by 3.3 per cent between 1995 and 1999.
- Italy produces around 10 million holiday trips per year, and is sixth on the list of spenders on international tourism (3.6% market share in 2002).
- The OECD has forecasted that real GDP will grow by 2.4 per cent in 2004 over 2003. It will grow by 2.3 per cent between 2005 and 2008.
- Italians tend to choose a holiday destination depending on the 'fashionability' of the destination. They are very sensitive to negative publicity if Jordan makes the headlines but they "quickly forget" once it is out of the headlines.

Sweden

- Average annual growth for expenditure on international tourism grew by 7.7 per cent between 1995 and 1999.
- In 2001 Sweden was fourteenth on the list of spenders on international tourism.
- The OECD has forecasted that real GDP will grow by 2.8 per cent in 2004 over 2003. It will grow by 2.3 per cent between 2005 and 2008.

Spain

- Average annual growth for expenditure on international tourism grew by 5.5 per cent between 1995 and 1999.
- Spain is an important doorway for South American countries.
- Low awareness levels of Jordan among travel agents.

- The OECD has forecasted that real GDP will grow by 3.1 per cent in 2004 over 2003. It will grow by 3.1 per cent between 2005 and 2008.

Netherlands

- Average annual growth for expenditure on international tourism fell by 0.6 per cent between 1995 and 1999.
- The Netherlands produces around 10 million holiday trips per year and is eighth on the list if spenders on international tourism (2.7% market share in 2002).
- Very positive response from an Autumn 2003 press trip which included a TV crew.
- The OECD has forecasted that real GDP will grow by 1.9 per cent in 2004 over 2003. It will grow by 2.4 per cent between 2005 and 2008.

Belgium

- Average annual growth for expenditure on international tourism grew by 2.8 per cent between 1995 and 1999.
- In 2001 Belgium was eleventh on the list of spenders on international tourism.
- The OECD has forecasted that real GDP will grow by 2.3 per cent in 2004 over 2003. It will grow by 2.7 per cent between 2005 and 2008.

Hungary

- Average annual growth for expenditure on international tourism grew by 3.1 per cent between 1995 and 1999.
- The OECD has forecasted that real GDP will grow by 3.7 per cent in 2004 over 2003. It will grow by 4.3 per cent between 2005 and 2008.

ASIA AND THE PACIFIC

Japan

- The OECD has forecasted that real GDP will grow by 1.1 per cent in 2004 over 2003. It will grow by 1.7 per cent between 2005 and 2008.
- In 2002 Japan was fourth on the list of spenders on international tourism (5.6% market share).
- Average annual growth for expenditure on international tourism fell by 2.8 per cent between 1995 and 1999.

China

- The economy of China will grow by over 7 per cent in 2003 and 2004.
- China was seventh on the list of spenders on international tourism in 2002 (3.2% market share).
- Hong Kong was ninth on the list of spenders on international tourism in 2002 (2.6% market share).
- Experts predict that international tourism's future growth will come from the developing world and in particular, Asia. Reflecting its growing middle class, China is about to overtake Japan in number of trips.
- In 2001, the WTO predicted that China would become the fourth largest outbound travel market by 2020 exporting 100 million tourists a year.
- Surveys by the Singapore Tourist Board and the US department of Commerce have found that Chinese tourists are very high spenders. The WTO has found that Chinese people are among the highest per capita spenders on trips abroad – more then $2,000 on a 12-day journey.
- Average annual growth for expenditure on international tourism grew by 31.0 per cent between 1995 and 1999.
- Jordan has signed an agreement with the China National Tourism Authority for "approved destination status" (ADS). The JTB plans to open an office before the end of 2004. The market needs a direct flight if its opportunities are to be successfully exploited.

Republic of Korea

- Average annual growth for expenditure on international tourism fell by 9.4 per cent between 1995 and 1999.
- In 2001, it was thirteenth on the list of spenders on international tourism.
- The OECD has forecasted that real GDP will grow by 6.0 per cent in 2004 over 2003

Australia

- The OECD has forecasted that real GDP will grow by 3.8 per cent in 2004 over 2003. It will grow by 3.8 per cent between 2005 and 2008.

New Zealand

- The OECD has forecasted that real GDP will grow by 2.9 per cent in 2004 over 2003. It will grow by 3.0 per cent between 2005 and 2008.

THE AMERICAS

United States

- In 2002 the US was the world's top spender on tourism and accounted for 12.3% market share.
- Average annual growth for expenditure on international tourism grew by 7.2 per cent between 1995 and 1999.
- The WTO and IMF predicts that the US economy will grow by 3.6 per cent in 2004.
- The OECD has forecasted that real GDP will grow by 4.0 per cent in 2004 over 2003. It will grow by 3.5 per cent between 2005 and 2008.
- Experts in the travel and tourism industry believe that the market is slower to recover from a crisis than many European markets.

Canada

- Average annual growth for expenditure on international tourism grew by 2.5 per cent between 1995 and 1999.
- Up until 2002 Canada was in the top ten spenders on international tourism and was moved to eleventh position in 2002.
- The OECD has forecasted that real GDP will grow by 3.4 per cent in 2004 over 2003. It will grow by 3.1 per cent between 2005 and 2008.

5.2 ACCESS

The 2003 Comparative Competitive Study identified access (scheduled services and cost) as Jordan's principal weakness.

Scored against eight different criteria ranging from price of hotel accommodation to trade opinion, Jordan's second lowest score was for price of air access.

This is no surprise. While researching this document, both tour operators and JTB overseas offices identified air access to Jordan as a barrier to achieving the growth required to meet 2010 targets. Problems include shortage of capacity, high prices, inconvenient flight times and varying levels of co-operation between airlines and the JTB / trade.

Lack of capacity has a negative impact on consumer demand and a destination's awareness levels and profile. Competitive and scheduled air access is one of the most critical elements for the development of high yield tourism from key growth markets in Europe, the USA and Asia. It is one of the six pillars of tourism.

The NTS has explained the important contribution tourism can make to Jordan's economy. This should encourage government to move as soon as possible towards an "open skies" policy, as governments throughout the world increasingly realise that the strict regulatory and ownership policies of the past hampered the free flow of tourists.

High air fares are a barrier to growth. It is imperative that air access to Jordan be opened up if targets are to be met. There are commercial opportunities for carriers to increase scheduled air access to satisfy growing demand.

Capacity by market

The split between holiday and other traffic on scheduled routes varies by airline and by route. Without access to airline figures for all routes into Amman, it is not possible to specify what increase in capacity for holidaymakers as a percentage of increased capacity for all travellers, in order to achieve 2010 targets.

There is an important role for Tourism Jordan Inc. to communicate likely demand levels and future plans to airlines (Royal Jordanian and some of the other 26 airlines that currently serve Jordan) to ensure they are aware of the opportunities for increased capacity on existing routes and the need for new routes.

Amman should also promote itself as a safe and secure point of entry for the Holy Land and religious sites outside Jordan.

The NTS has recognised that Aqaba is uniquely open to developing chartered flights from selected international centres and that it should vigorously follow this opportunity. Mono tourism is bad for a destination. The current situation of Hungary-only charters to Aqaba, while worthy in the short term, should be addressed to open up the area to charters from other markets.

When preparing annual business plans by market, information on air capacity will be a key determinant on decisions about marketing resources and activities.

Airlines currently flying into Jordan

Royal Jordanian	Yemenia	Qatar Air
Royal Wings Airlines	Jugoslovenski Air	Romania Air
Royal Wings Airlines	KLM	Sudan Air
Jordan Aviation	Kuwait Air	Swiss Air
Air France	Lufthansa	Aeroflot
Air Algeria	Libyan Air	Turkish Airlines
Alitalia	El Al	Tunis Air
British Airways	Middle East Airlines	Air Meldova
Cyprus Air	Balqan	Air Ukraine
Emirates Airlines	Egypt Air	
Gulf Air	Austrian Airlines	

5.3 METHODOLOGIES

It has been agreed in the NTS that Jordan's approach to the international long haul markets will be a niche marketing strategy, directed to well defined target markets and segments, using specialist networks of tour operators, media and web marketing to contact its customers. It is acknowledged that the niche strategy requires heavy-duty market research to provide the information necessary for confident decision-making.

The priorities for marketing are:

1. Developing the Distribution System

To make the destination as easy to buy as possible is a priority task for marketing. Since 2001, the JTB through its network of overseas offices has successfully maintained relationships with overseas tour operators. It is important to maintain such relationships in slower times so that recovery can be quicker when the crisis has passed.

2. Supporting the Distribution System

3. Educationals, collateral material, web site etc.

In tourism marketing, it is not possible to say with any accuracy whether an advertising campaign, a publicity programme or a direct mail-shot is the sole or only reason for an increase in enquiries or conversion rate. Nevertheless there are international standards against which performance can be measured. Experts estimate that customer acquisition costs somewhere between US$9 at the low end to US$20 at the high end and may be more expensive in certain markets. Future performance can be measured against this benchmark.

Until the necessary market research is carried out, it is difficult to specify which activities should be undertaken in which markets. In any case, that is a function of annual operational plans. However, destinations that have successfully pursued a niche marketing strategy use various combinations of the following tools.

v Developing and supporting the distribution system

The activities that should be included for consideration in the annual business plan include:

- Familiarisation trips.
- Trade missions /road shows / workshops for market based trade to meet with Jordan trade.
- A large annual workshop to take place in Jordan where local trade and market based operators meet to sell their products. Familiarisation can form a part of the trip for operators.
- Training for tour operators and travel agents.
- Competitions for tour operator and travel agency staff – offer a trip to Jordan as the prize.
- Trips to Jordan for travel agents and current operators (pay their own way).
- Trips to Jordan for new operators (Jordan - tourist board, airline and trade - covers the costs).

v Public Relations / Publicity

The activities that should be included for consideration in the annual business plan include:

- Publicity can provide the third party endorsement that advertising cannot provide. A programme including the following items works well for other successful niche market destinations.
- Press receptions / informal lunches – good for image building and for portraying Jordanian hospitality.
- Media familiarisation programmes – already acknowledged in the NTS that this programme must be upscaled by 400%. Co-operation from Royal Jordanian and product providers on the ground is essential.
- Publicity campaign including advertorials and supplements in selected specialist publications.

v Web site

- The new web site will play an important role. See section 4.7 for detail.

v Advertising

- TV advertising provides a frequency and repetition that publicity cannot. However, the high cost of TV advertising in long-haul markets would not give good value for money. The niche marketing strategy instead calls for more targeted advertising, most probably in specialist publications and lifestyle magazines.
- Co-operative advertising with operators and carriers (JTB should co-operate with all airlines serving Jordan) should also prove successful. The call to action should be to visit the web site. From there, one can purchase through the e-commerce facility on partner sites.
- Testimonial advertising could work well as it helps overcome the fear factor and can coincide with consumers' desire to holiday in fashionable destinations.

- While metro, tram, bus and cinema advertising are good for targeting urban areas, these media are usually too mass-market to give maximum return on marketing spend.

Trade & Consumer Promotions

Attendance at trade and specialist consumer shows (based on the products – adventure, religious, educational, activities etc) will prove effective at maintaining a presence in tour operator programmes and expanding distribution through additional specialist operators.

Print material

Print material is very important for tourism promotion, as the customer cannot touch, taste, hear or feel the product before he buys. Jordan's current range of print material can best be described as average. There are many inconsistencies in the quality of copy writing, photography, design and layout, and print. A new range of world-class promotional materials which focuses on the niche products is required.

Direct mail

Direct mail (usually in co-operation with a partner such as a specialist operator) is very effective in niche marketing. It allows direct communication with prospective customers in a targeted manner which can yield good results if properly executed. It has already worked well for communicating with religious leaders in some markets and should form an integral part of the marketing mix.

Joint promotions with Israel

Prior to the problems caused by Intifada in September 2000, joint promotions with Israel had worked well in the US market. Because Israel had access to tour operators it was to Jordan's advantage to work with Israel. However, following September 2000, Jordan's image as being a safe destination suffered by being too closely associated with Israel.

Consequently a decision has been made for the JTB to market Jordan as a stand-alone destination in future. Tour operators remain free to combine the destination in developing their packages, but there will be no cooperation at national level in the marketplace.

6. REGIONAL AND CLOSE MARKETS

BACKGROUND

Neighbouring countries are important source markets for many thriving tourism destinations. In 2002, regional markets accounted for 72 per cent of all tourist arrivals to Jordan, an increase of 8 per cent over 2001.

This performance in Jordan (i.e. dominance of the regional market) mirrors the situation for regional competing destinations. The WTO has found that 72 per cent of all departures from Middle East countries are to other Middle East destinations. It also forecasts that by 2020, over 25 million tourists will travel within the Middle East region. This will constitute 71 per cent of all outbound travel. Intraregional tourism from the Middle East is growing faster than tourism to any other region.

The WTO mentions the growth in the "number and quality of destinations within the region" as a factor in the increases to date and those forecast to 2020. While there is enormous potential for Jordan from its regional markets, there is also the challenge of competition from competing regional destinations.

Competition is a real threat if competing destinations are better at identifying, targeting, communicating with and delivering to selected target audiences. Going forward, it is essential that the JTB is adequately funded and resourced to effectively market its suite of products, in partnership with the trade, to selected high-yield, affluent audiences in regional markets.

Regional markets have not been a marketing priority up to now and performance shows that Jordan is not attracting the correct profile of high-yield tourist.

Throughout the region, the events of 2001, 2002, and 2003 have caused tourism decision makers and practitioners to revise their targets and focus more on intraregional and domestic tourism. Jordan's competitors are working hard to capitalise on the region's potential.

6.1 IDENTIFICATION OF THE MARKETS

The WTO has forecast that outbound travel from the Middle East to all destinations will grow annually at rates of between 4.5 and 5.9 per cent between 1995 and 2020.

It has forecast that outbound travel from the Middle East to other Middle East destinations will grow annually at 6.0 per cent between 2000 and 2010.

The principles of market attainability analysis (see chapter 4) are equally applicable when making forecasts and decisions on marketing spend for regional markets. However, factors such as the cost of conducting business, language difficulties, worries about safety and security, and low awareness levels will not be as relevant as they are for international markets.

Factors such as per capita GNI, expenditure on tourism, potential for high-yield tourists, economic forecasts, outbound tourism growth forecasts, and past performance (numbers and revenue) to Jordan will be taken into account in estimating forecasts and in annual business plans when allocating marketing resources and priorities.

Table 20 shows gross national income (GNI) per capita in US dollars for 2002. Information like this is an important support to decision-making.

Table 20
Gross National Income (GNI) per capita 2002

	US$
United Arab Emirates	25,480 *
Qatar	25,480 *
Israel	16,710 *
Kuwait	18,270 *
Bahrain	11,130
Saudi Arabia	8,460
Oman	7,720
Iran	1,710
Lebanon	3,990
Libya	4,870 *
Jordan	1,760
Syrian Arab Republic	1,130
Iraq	1,740 *
West Bank & Gaza	930
Yemen	490
Egypt	1,470

* World Bank 2000
Source: World Bank
Note: GNI was previously known as Gross National Product (GNP).

Profile of Regional Tourists to Jordan

The 2002 AMIR funded *Jordan Tourist Survey* among Arab tourists found that the overall average expenditure among visitors was JD121 (US$170) per day. Within this, there are some very obvious differences by source country: Lebanese visitors spend JD143 (US$201) per day, Gulf Arabs spend JD134 (US$188) per day, Saudis spend JD119 (US$167) per day, and 1948 Arabs are lowest spenders at JD103 (US$144) per day. These figures are based on average length of stay of 10 days.

Apart from this information, detailed information on revenue by international source market is not available. Jordan's profile of regional tourism revenue does not match the ME region's potential for high-yield tourists with average expenditure (US$1,800) at 250% of European levels.

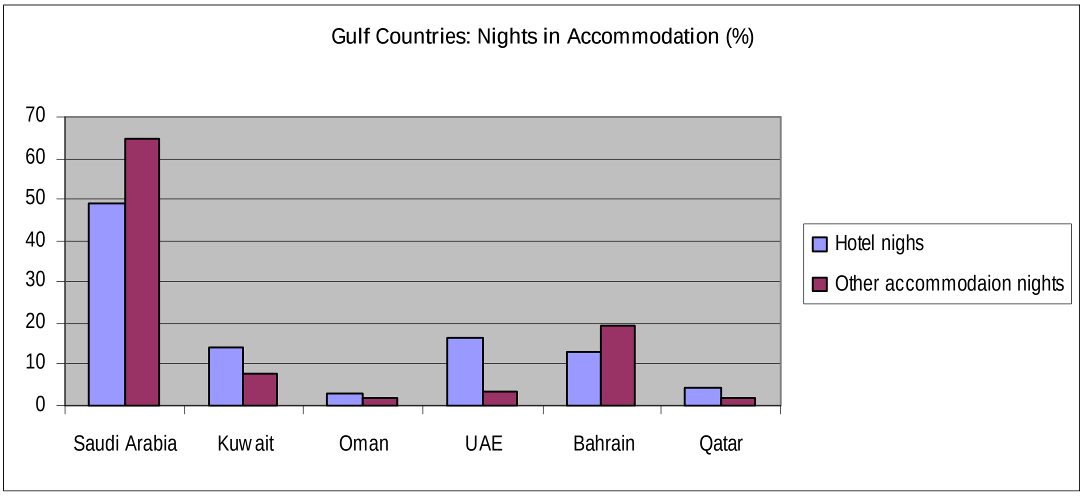
Supplementary anecdotal evidence and experience of the trade in Jordan suggests that the majority of Jordan's regional tourists display many of the characteristics of low–yield tourism:

high use of self-catering accommodation and lower graded hotels,
longer than average length of stay,
arrival and internal transport by own car,
lower than average visits to historic sites,
low usage of tour guides etc.

They contribute greatly to tourist numbers but not to tourism revenue.

The new strategic approach to the regional markets will seek to reverse this trend.

Chart 21
Summary of nights in accommodation in Jordan by Gulf Countries 2002



Source: MOTA

Forecasts of Tourist Arrivals to Jordan by Source Market 2004 -2010

Table 21 identifies targets for visitor numbers for Jordan's regional and close markets from 2004 to 2010. In making forecasts, WTO data, financial data (table 20) and NTS indications have been considered. Some of the key assumptions are listed below. Additional information used to guide the setting estimates is presented by market on the pages that follow.

- MOTA statistics are used for 2000, 2003, and 2004 to June.
- The WTO forecasts that overall intraregional tourism in the Middle East will grow by 6 per cent between 2000 and 2010. This is higher for some individual countries based on performance to date, economic situation etc.
- The WTO estimates that tourism between the Arab states will grow at a rate of one-and-a-half times that for all international tourism.
- WTO and IMF: Economic growth in the Middle East is expected to almost double in 2003 and to maintain that level in 2004.

- The World Bank estimates that real GDP growth in MENA will be 3.9 per cent in 2003, 3.5 per cent in 2005 and 4.3 per cent between 2006 and 2015.

Table 21

Forecasts for Tourist Arrivals (000s) to Jordan by Source Market 2004 -2010 using forecasted average annual growth rates (%)

	(%)	2000	2002	2004[3]	2005	2006	2007	2008	2009	2010
Saudi Arabia	10%	451	637	747	807	871	941	1017	1098	1186
Lebanon	3%	58	81	75	76	78	81	83	85	87
Kuwait	10%	57	102	97	112	123	139	157	176	198
Bahrain	10%	37	71	82	86	92	97	103	109	116
Oman	9.5%	8	13	14	15	17	18	19	20	21
Qatar	12%	6	8	9	9.6	10	11	12	13	14
UAE	10%	12	17	19	20	22	23	24	26	29
Algeria	6%	3	4	4	4	4	5	5	6	6
Tunisia	6%	6	4	5	5	5	6	6	7	8
Libya	6%	29	24	28	29	31	33	35	37	39
Morocco	6%	2	4	4	4	5	5	5	6	6
Sudan	6%	11	14	13	14	15	16	16	18	19
Yemen	6.5%	33	35	31	33	34	36	38	41	43
Other Arab	6%	22	35	35	37	39	42	44	47	50
Israel	10%	127	147	165	181	199	219	241	265	292
Total	7.8%	862	1196	1328	1432	1545	1672	1805	1954	2114

The purpose of table 21 is to give some broad indications of the likely tourist numbers from the region between 2005 and 2010.

The need to change the profile of regional tourists has been explained, and is justified given the growth that can be expected in numbers based on WTO forecasts and economic indicators. The new strategy must and will focus on attracting higher yield tourists who can contribute significantly to tourism revenue, not just tourist numbers.

Table 22

Jordan's regional markets can be classified as follows:

Primary Markets with immediate potential	Secondary Markets with potential in the medium term	Tertiary Markets which may have potential in the long term
Saudi Arabia	Lebanon	Libya
Israel	Syria	Palestine
Kuwait	Yemen	Iraq
Bahrain	Other Arab	Algeria
Oman		Tunisia
Qatar		Sudan
UAE		Morocco

Annual operational plans will allocate resources and priorities for marketing based on which products have most appeal in the markets that present the most potential.

[3] 2004 estimates are based on 2003 data plus the percentage increase in arrivals for the period Jan. to June 2004. i.e. Saudi Arabian arrivals for Jan-Jun 2004 were 17.4% higher than in the same period in 2003, so the 2004 estimated figure is full year 2003 + 17.4%.

Marketability

Jordan is weak on some aspects of those tourism products that most appeal to regional markets e.g family activities, evening and night time entertainment, events, street entertainment, shopping, café culture, children's summer camps etc. Some of the 'missings' quoted by Gulf tourists include "public swimming areas", "touristic resorts" and "organised tour programmes".

Investment is required to fill the gaps. Once the product deficit is corrected, families will become a more important target segment.

Additional Background Information by market

Saudi Arabia

- Saudi Arabia is the largest tourism generating market in the Middle East and, according to the WTO, it will continue to be; it is forecasted to reach over 9 million arrivals worldwide by 2020.
- It is the largest economy in the region.
- It is Jordan's dominant source market; in 2002, it accounted for 60 per cent of Arab tourist arrivals and 43 per cent of total tourist arrivals (62 and 40 percent respectively in 2001).
- Accommodation usage
  The market accounts for 56 per cent of all Gulf bednights in Jordan. Within this, it accounts for 38 per cent of Gulf bednights in 5* hotels, with 50 per cent, 50 per cent, 72 per cent and 83 per cent respectively for 4*, 3*, 2* and 1*hotel accommodation.

  Apartments, however, are the most popular choice. In 2002, 44 per cent of all Saudi bednights were in apartments, followed by 17 per cent in 5* hotels with 5 per cent, 11 per cent, 11 per cent, and 4 per cent for 4*, 3*, 2*, 1* hotels respectively and 8 per cent for suites.

  The WTO has found that of the 40 per cent of Saudi tourists who like hotel accommodation in general, 4* and 5 * hotels are the referred choice for 72 per cent. This figure varies somewhat from the MoTA figure, which, for 2002, gave the equivalent usage at 47 per cent. This is further evidence that Jordan is currently not tapping into the revenue potential of the regional markets. This will change with the new strategy.

- Tourism revenue
  The WTO also found that Saudi tourists have a high average spend per trip (estimated at US$1,150) and an average length of stay of 25 nights.

  The AMIR-Jordan Tourist Survey estimates that Saudis spend JD119 (US$167) per day in Jordan with an average length of stay of 11.2 nights. In 2002, the preferred length of stay was between 1-4 nights for 39 percent of Saudi visitors, with just 17 per cent staying for longer than 20 nights.

- Other travel habits / patterns
  47 per cent of Saudi tourists travel in groups of 4 or more. 91 per cent of holiday travel is pre-booked, and the market is subject to a late booking pattern. Recommendations are relied on by 76 percent of Saudi tourists when choosing a holiday destination. Less than 1% of bookings are made by internet although its use is growing more popular for information. They travel up to four times a year for tourism, business, education and medical treatment.
- Intra-regional destinations benefit most from the Saudi market, a trend that has been reinforced since 9/11. Destinations in the Middle East accounted for 88% of all Saudi arrivals in 2001. The top six destinations for the Saudi market are all in the Middle East.
- Average growth rates between 1998 and 2001 were 11.5%. Jordan is the third most popular destination for Saudi Arabia.
- The physical presence of NTAs in Saudi Arabia are thought to have greatly helped some destinations notably Malaysia.

- Figures for average annual growth for expenditure on international tourism between 1995 and 1999 are not available.

Israel

- Average annual growth for expenditure on international tourism grew by 4.9 per cent between 1995 and 1999.
- Israel is Jordan's second most important source market for tourist numbers.

Kuwait

- Kuwait is the third most important source market for Jordan with 7 per cent of all tourist arrivals in 2002 up from 5 per cent in 2001. It accounted for 12 per cent of all Gulf and 10 per cent of all Arab tourist arrivals in 2002.
- Accommodation usage
  The market accounts for 11 per cent of all Gulf bednights. 5* hotels are the preferred option accounting for 33 per cent of all Kuwaiti bednights, followed by apartments (23 %), 3* hotels (15 %), and 4* hotels (9 %).
- Average annual growth for expenditure on international tourism grew by 2.8 per cent between 1995 and 1999.

United Arab Emirates

- In terms of tourist numbers to Jordan, the U.A.E. is well down the list of top performers with 17,698 visitors in 2002 (1.2 %). It accounted for 2% of Gulf arrivals.
- Of the Gulf countries, after Saudi Arabia, it is the highest user of 5* hotel accommodation (67 % of its bednights or 37,820 nights). Of all the Gulf countries, it has the highest proportion of nights spent in hotels compared to other accommodation.
- Figures for average annual growth for expenditure on international tourism between 1995 and 1999 are not available.

Oman

- Currently a small source market. In 2002 (13,705 tourists), it accounted for less than 1 per cent of all tourist arrivals and 1.61 per cent of Gulf arrivals to Jordan.
- Oman accounts for 3 per cent of Gulf bednights in Jordan, with a preference for apartments and 5* hotels over other accommodation types, but from a small base.
- Average annual growth for expenditure on international tourism did not change between 1995 and 1999.

Bahrain

- In 2002, Bahrain accounted for 5 per cent of all tourists to Jordan and 8 per cent of Gulf tourists. It was the 4th largest source market for numbers of visitors, up from 6th position in 2001.
- 44 per cent of its bednights are in hotels with a preference for 5* standard.
- Average annual growth for expenditure on international tourism grew by 6.8 per cent between 1995 and 1999.

Qatar

- Qatar is a small source market for Jordan with less than 9,000 visitors in 2002.
- Although from a very small base, it has a preference for 5* accommodation.
- Figures for average annual growth for expenditure on international tourism between 1995 and 1999 are not available.

Libya

- Libya accounted for 2 per cent of all Arab arrivals to Jordan in 2002.
- 56 percent of Libyan bednights in Jordan are in apartments.

- Average annual growth for expenditure on international tourism fell by 8.3 per cent between 1995 and 1999.

Lebanon

- The JTB has estimated that an extra 100,000 bednights could be produced in one year if the market was effectively targeted and visa restrictions were removed.

North African Countries

- Of the NA countries, Sudan is the largest source market with 1 per cent of total tourist arrivals to Jordan in 2002. Tunisia, Algeria and Morocco combined contributed just 14,000 tourists in 2002.
- Average annual growth for expenditure on international tourism by Tunisia fell by 1.2 per cent between 1995 and 1999.
- Figures for average annual growth for expenditure on international tourism by Algeria between 1995 and 1999 are not available.
- Average annual growth for expenditure on international tourism by Morocco grew by 9.7 per cent between 1995 and 1999.
- Average annual growth for expenditure on international tourism by Sudan fell by 5 per cent between 1995 and 1999.

Influencing / motivating factors

The AMIR-Jordan Arab Tourist Survey 2002 asked tourists about the influencing and motivating factors when choosing Jordan as their holiday destination.

The fact that it is an 'Arab Country' is extremely important for all Arab tourists; (61% of Gulf tourists, 69% of 1948 Arabs, 42% of Lebanese and 48% of Saudi tourists mentioned it).
Other important motivators are 'moderate weather,' 'touristic places to visit', 'prices', 'security', and 'traditions/customs'. The ranking of these motivators varies by country.

Experience of Jordan

The study also examined people's experiences of Jordan as a holiday destination. The key findings are presented below.

Table 23
The best thing about Jordan (%)

	Gulf	Saudi Arabia	Lebanese	1948 Arabs
Good Weather	33	23	9	4
People / hospitality	32	25	31	30
Diversity of historical & touristic sites	21	17	37	18
Beautiful nature	10	27	10	10

Source: AMIR-Jordan Tourist Survey 2002:

Criticisms included 'exploitation of tourists', 'traffic jams / crowded streets', 'harassment by beggars' and 'high prices'.

A minority of tourists voiced criticisms about their stay in Jordan. However, some of the points deserve further investigation. The recommended Market Research programme (see section 4.5) will consider these. 'High prices' are relative. Currently intraregional tourists are low yield. Under the new strategy, all marketing activity and communication will focus on those segments from higher socioeconomic backgrounds who are less price sensitive. Value for money is a more accurate measure of how the destination ranks in customers' minds.

6.2 ACCESS

Air access is currently less important for the regional markets than for international markets. This can be seen in the findings of the AMIR Jordan Arab Tourist Survey 2002. It found that 51% of all those who had stayed in Jordan for vacation or other personal reasons had travelled to the country by road. However, the same survey arrived at very different findings among those who were surveyed while in Jordan rather than at point of departure.

MoTA data is also at variance with these findings. It suggests that over 90 per cent of Gulf visitors to Jordan arrive by car.

Inaccurate data is of little use when attempting to identify access requirements to cater for increased traffic from regional markets. As stated throughout this report, the need for accurate market research is critical to the success of effective marketing planning. Once more accurate data is available, it can be of real use in helping to forecast required growth in access capacity between 2005 and 2010.

Table 24
Travelling to Jordan by road

		Surveyed at point of departure	Surveyed while in Jordan
All Visitors		51	n/a
Among	Saudis	73	86
	Gulf Arabs	22	61
	Lebanese	14	52
	1948 Arabs	96	97

Source: AMIR-Jordan Tourist Survey 2002:

Factors influencing the decision to travel by car include 'convenience', 'proximity' and 'cost factors'. People who bring their own car save on car hire and taxi fares in Jordan.

The survey also found that in some instances the reason for Lebanese people bringing their own car was the 'inability to secure plane reservations'. The survey notes that this point raised the question of flight frequency and set capacity between Beirut and Amman.

6.3 METHODOLOGIES

Data tell us that the current profile of regional tourist does not fit with the strategic objectives of increasing visitor spend and length of stay, and addressing regionality and seasonality factors.

The regional markets present a significant opportunity for Jordan. However, if this is to be exploited, a new approach which will concentrate on FIT visitors, special interest and family groups is absolutely essential.

Communication with the selected segments should be by way of the most direct methods available and will include the following tools. The benefits of this approach have been proven by those tourism destinations that have been successful in capturing the real potential of neighbouring markets.

- **Consumer Campaign:** *Discover Jordan* should seek to communicate the variety of things to do and places to see within just a few hours of home. The country's ability to "surprise" will be a key component of the consumer message.

- **Brochure:** A top quality promotional brochure with priced and commissionable offers should be distributed directly to potential customers through selected distribution points, as part of direct mail campaigns, loosely inserted in selected publications, advertorial features and as the main servicing piece (alongside the new internet site) to advertising and publicity campaigns. Gathering priced offers from the trade and the compilation of the brochure content should be outsourced to a private company who has experience in tourism publishing, under the direction of the JTB.

  To address seasonality challenges, seasonal editions should be published for the main seasons. E.g Spring, Peak Season, Autumn etc.

- **Advertising:** Co-operative advertising direct to consumers across all forms of media including TV, print, radio and outdoor. Call to action: consult the brochure or go to the web site. A kick-start campaign at the start of each season will launch the campaign.

- **Internet:** An electronic form of the *Discover Jordan* brochure, with e-commerce capability to communicate and book directly with listed establishments will be effective in targeting key segments.

- **Publicity:** An awareness campaign to raise consumer awareness of the range of short breaks and holiday options by way of advertorials, consumer holiday competitions (in co-operation with accommodation providers), and a publicity programme in national titles – lifestyle magazines, supplements etc.

- **Consumer promotions:** Attendance at the Arabian Travel Market (ATM) held annually in May in Dubai and the Gulf International Travel and Tourism Exhibition. Also, consumer road shows and in-mall promotions.

Media Habits

The AMIR-Jordan Tourist Survey 2002 gathered some information about the media habits of Arab Tourists during its 2002 survey. The findings can contribute to decisions on media schedules for advertising.

TV

From a pan-Arab perspective, only 3 television stations, Al Jazeera, MBS and LBS, have any significant reach among the four groups surveyed (Gulf Arabs, Saudis, Lebanese and 1948 Arabs).

Among Gulf Arabs, Al Jazeera is most popular (58%), followed by MBC (37%). Among Saudis, Al Jazeera is most popular (49%), followed by MBC (39%). Among Lebanese, local stations are most popular; LBC (35%) followed by future Television (41%). 1948 Arabs have a preference for MBC (39%), Al Jazeera (35%) and Israeli stations (28%).

Newspapers and Magazines

There are low levels of newspaper readership among Jordan's Arab tourists. Just 48 per cent of Gulf Arabs read a newspaper on a regular basis. This rises slightly to 51 per cent, 55 per cent and 47 per cent for Saudi, 1948 Arabs, and Lebanese tourists respectively.

Readership levels are notably higher amongst females for all markets (65 % versus 35%).

The survey finds that none of the titles mentioned have any significant degree of pan-Arab reach. Consequently, it recommends that press advertising should be purchased on a localised basis.

Awareness of Jordan Advertising

Between 29 and 37 per cent of Arab Tourists interviewed remembered seeing Jordan advertising. A number of lessons can be learned from this;

- **Importance of increased spend on above the line advertising that will secure greater reach and frequency**
- **Crucial role for below the line promotional activity**
- **Corresponding with the importance of effective niche marketing, the survey found that impressions gained from advertising reflect personal interests**

7. DOMESTIC TOURISM

7.1 BACKGROUND

For sustainably successful tourism destinations, there is a healthy mix between domestic, regional and international tourism. The recent difficulties experienced by the tourist sector worldwide have forced those countries that have previously ignored domestic tourism to enhance their understanding and appreciation of the important contribution it can make to the national economy. As the tagline from Visit Britain's domestic campaign says "Staying at home is the new going away"!

The domestic market is also important for the role it can play in developing the product and impacting positively on seasonality and therefore on profitability and job creation. International tourists usually like to meet and interact with local people when on holiday. Domestic tourism also provides a good balance, particularly if a region is susceptible to mono tourism.

To date, domestic tourism has not been a priority for Jordan. Prior to 2003, little work had been done to research or actively promote the country's tourism offerings to its own residents. The JTB organised promotions in 2003 which were successful, and were a first step to taking the domestic market more seriously and tapping into the opportunities presented by high earners who seek short breaks in Jordan to supplement holidays abroad.

As with regional and international markets, the potential of the domestic market is directly linked to the country's economic situation. If the economy is growing / strong with high levels of disposable income amongst the desired segments, the tourism industry can benefit greatly from the domestic market. Of course, the flip side of this is, that while the strength of the economy will encourage domestic tourism, it will also create increased demand for overseas travel.

7.2 OBJECTIVES

In recognising the importance of domestic tourism and understanding the role it should play for Jordan's tourism economy, the objectives of the JTB in promoting domestic tourism will be:

- To position Jordan as a quality holiday option for Jordanian holiday-makers
- To increase the number of off-peak holidays
- To improve regional spread of tourism revenue
- To co-ordinate the industry marketing effort and enhance its effectiveness

For future promotion, the most important market segments are:

- High income
- Government officials and state enterprise personnel
- Families
- Retired
- Youth
- MICE
- Expatriates
- Urban dwellers (with a focus on West Amman)

7.3 MARKET SIZE AND CHARACTERISTICS

Figures from July 2003 estimated Jordan's population at 5.3 million, 79% of which live in urban areas (United Nations data). Amman accounted for 38 per cent of the population or just over 2 million people.

Just over a quarter of the population is in the labour force (1.36 million), and while the official unemployment rate is 16 per cent, experts believe that the actual rate is somewhere between 25 and 30 percent (2001 data).

Jordan's economy is one of the fast growing in the Middle East achieving a growth rate of 5 per cent in 1002 and 3.5 per cent in 2003. Jordan's Gross National Income (GNI) per capita in 2002 was US$1,760.

Accommodation usage by Jordanians

Table 25

Tourist Accommodation	1999	2000	2001*	00/99	01*/00
Nights spent in hotels and similar establishments (1,000)	3,731	3,832	3,283	2.7	-14.3
by non-residents (inbound tourism)	3,154	3,291	2,686	4.3	-18.4
by residents (domestic tourism)	577	541	597	-6.2	10.4

Source: WTO Data collected by WTO September 2002.

WTO data in table 25 show that Jordanian residents accounted for 18 per cent of nights in accommodation in 2001, up from 15 per cent in 1999 and 14 per cent in 2000.

MOTA data (Table 26) showed that Jordanians accounted for 19.6 per cent of nights in accommodation in 2002. This worked out at 588,838 nights.

Table 26

Jordanian nights in Accommodation by type (% of total) & number of nights 2002

5 * hotels	13.6	119,718
4* hotels	22.1	114,041
3* hotels	20.8	96,635
2* hotels	39.7	118,213
1* hotels	33.7	70,198
All hotel accommodation	21.9 %	518,805
Apartments	9.7	49,194
Suites	16.3	19,585
Camps	25.6	764
All non-hotel accommodation	11.1%	69,543
All accommodation	19.6% of all nights	588,348

Source: MOTA

What does the data tell us?

- Jordan is the largest source market for nights in all types of accommodation (except 5* hotels).
- For 5* hotels, Jordan (119,718 nights) is second only to Israel (123,163 nights), followed by USA (65,048 nights).

- For 4* hotels, Jordan (114,041 nights) is the heaviest user, followed by Israel (41,029 nights), followed by Germany (32,051 nights).
- For 3* hotels, Jordan (96,635 nights) is the heaviest user followed by Israel (72,676 nights), followed by Saudi Arabia (32,278 nights).
- For 2* hotels, Jordan (118,213 nights) is the heaviest user followed by Saudi Arabia (31,824 nights), followed by Iraq (19,072 nights).
- For 1* hotels, Jordan (70,198 nights) is the heaviest user followed by Iraq (40,181 nights), followed by Syria (31,358 nights).

A breakdown of these figures by purpose of visit is not available. However, the figures prove that the Jordanian market is a significant contributor to all types of accommodation. While their usage dominates most categories, their dominance for 2* and 1* hotels is very marked.

Further research is needed to establish purpose of visit – business, holiday, VFR etc. The research findings can be used to fine-tune domestic promotional campaigns and targets.

2010 Domestic Tourism Targets

A target of 500,000 domestic holiday trips by 2010 is realistic and achievable based on performance to date and market characteristics. Achieving the targets will depend on resources being made available to the JTB to co-ordinate and implement direct, consumer focused marketing campaigns using the methodologies outlined in section 7.5.

	Jordan
Population	5.3m
2010 domestic holiday trips	500k
Revenue per trip	JD150
Potential revenue from domestic holidays	JD75m

7.4 PRODUCTS

Jordan's tourism experts and the NTS acknowledge that there are gaps in the tourism product offering that need to be addressed if it is to be successful in exploiting the domestic market.

Many of the products outlined in section 4.4 will appeal to various segments of the domestic market. Decisions on which should receive priority should be made following market research and depending on progress made on product development.

Within the main promotable segments, the most notable product gaps are for the family holiday segment. Families with young children usually holiday together. Therefore, the product offering needs to be family-friendly in a relaxing, rejuvenating environment with plenty to do. At good family-oriented hotels and resorts, separate but equal worlds are created for parents and kids.

There is a need for improved family entertainment, festivals and events and an Amman bus tour (hop-on-hop-off).

Large tourist schemes are currently being developed at Aqaba and the Dead Sea. In Aqaba, these include hotels, apartment complexes, a large man-made lagoon, a marina, and golf courses. There are at least ten resorts and villages being developed at the Dead Sea. As noted earlier, significant investment in hotels has already taken place in Amman. Investment is now taking place in shopping malls, and an urban regeneration project will accommodate a variety of facilities including restaurants, shops, galleries, public plazas and gardens – all of which will make the tourism product more attractive to potential customers.

Chapter 4 outlines which products appeal to the various market segments.

7.5 METHODOLOGY

Following market research a clearer picture of the domestic market will become apparent. Based on research findings, decisions on what precise mix of the communication tools outlined below can be made in an informed manner.

There is an essential role for the JTB to effectively communicate the importance and potential of the domestic market to the travel trade and accommodation and product providers. By co-ordinating the industry marketing effort and enhancing its effectiveness, the attractiveness of home holidays and short breaks will become more apparent for Jordanians.

The present situation where the domestic market is charged hotel rack rates means that other (competing) regional destinations become more attractive to potential Jordanian customers. Effective communication and co-operation with the industry should help change this position for the better.

For any tourism destination, the success of its domestic market will depend on getting priced offers into the hands of consumers using the most direct methods possible.

- Discover Jordan Campaign: *Discover Jordan* should communicate to and persuade Jordanians that the variety of things to do and places to see right on their doorstep is an attractive holiday proposition.
- Brochure: Annual, free, promotional brochure - *Discover Jordan* - with fully inclusive priced offers from a wide variety of accommodation establishments. Seasonal editions will help target short breaks in the shoulder seasons
- Brochure distribution: The brochure should be widely distributed, freely available and used in targeted direct mail campaigns. Loose inserts in key publications (matched to target audience) will also prove effective if the insertion coincides with publicity features.
- Advertising: *Discover Jordan* advertising across all forms of media including TV, print, radio and outdoor. The call to action will be to consult the brochure or the web site.
- Internet: An electronic form of the *Discover Jordan* brochure, with e-commerce capability to communicate and book directly with listed establishments. A 2002 study estimated that there are 202,000 Internet users in Jordan.
- Publicity: An awareness campaign to raise consumer awareness of the range of short breaks and holiday options by way of advertorials, consumer holiday competitions (in co-operation with accommodation providers), and a publicity programme in national titles – lifestyle magazines, newspaper supplements etc.
- Consumer promotions: Attendance at Jordan's main travel and holiday show

8. THE JTB - STRUCTURE & CAPABILITIES

8.1 BACKGROUND

The NTS identifies that while a result driven partnership is the recommended way of governing the process from strategy to action and implementation, the partnership needs to be managed and driven.

The JTB was established a "Public/Private Sector Partnership committed to utilise marketing strategies to brand, position and promote Jordan as a destination of choice." Its core task is to sustain and manage that partnership and to facilitate and support the private sector as the tourism driver that can produce sustainable growth, economic benefit and employment.

Ambitious, achievable targets have been set by the NTS and the key markets have been identified by the Marketing Sub-Strategy. It is essential to the successful implementation of the Strategies that the JTB be structured and resourced with the capacities and capabilities to succeed.

Negotiations between the JTB and the Government to tie its subsidy (currently just 80% of JD5 million) of the JTB budget to annual tourism receipts are ongoing. This new approach would help secure the financial resources necessary to implement the strategy to 2010 as opposed to the current practice of allocating JTB budget based on annual political decision. If budget can be guaranteed to 2010, the JTB will be well along the road to effectively leading and driving the partnership.

The successful use of any tool or technique depends on the craftsman using the tool. As well as financial resources, the JTB must be equipped with management and staff who have the skills and capacity required of such positions.

Tourism is a competitive industry. Jordan has fallen behind many of its direct competitors in performance to date. An inability to grasp this opportunity will see further slippage in market share and declining growth rates while those competing destinations that have made the necessary changes go on to reap the benefits of the world's largest industry.

8.2 STRUCTURE

The AMIR funded study *Assess and Strengthen the Jordan Tourism Board's Institutional Framework, Management Capacity and Operations* developed and presented proposals for a revised organisational structure for the JTB. The proposed organisational chart is in appendix I.

In preparing the study, the consultants pointed out that the structure was pitched at a minimum response and that it needed to be implemented without delay.

Apart from the Managing Director, from the marketing perspective the most important positions are Marketing Directorate and all positions reporting directly to it, and Communications Directorate and all positions reporting directly to it. The new structure will provide the framework. It is absolutely essential that the people who fill every post (regardless of level of seniority) have the skills and expertise necessary to fulfil the requirements of the post.

8.2 CAPABILITIES AND SKILLS

The NTS and Marketing Sub-Strategy recommend a boutique positioning leading to the implementation, over time, of a fully branded approach to marketing Jordan as a destination of choice.

Branding requires considerable discipline and skill to implement. For the development of Tourism Brand Jordan, knowledgeable marketing practitioners who have the experience and the knowledge to direct and manage the development must fill the current gaps in expertise.

If the development of the brand is poorly managed, the result will be a very expensive exercise which further widens the gap between Jordan and its tourism competitors.

The study into the Framework, Management Capacity and Operations of the JTB calls for the assessment of existing JTB staff at all levels so as to determine

- Current skill and capacity levels
- Need for further training
- Suitability for future placement in the new structure
- Suitability for work with the JTB

The findings of this review will feed into the redeployment of current staff who no longer fit the requirements of the newly focused JTB, and the recruitment of additional professionals to boost marketing capacity and capabilities. This exercise will bring JTB into line with its competitors in terms of resources and skills.

Among the areas where there are inadequate skills and expertise are:

- Research and analytical skills are essential for market research to fulfil its function
- Brand development: experience of having managed the development of a consumer brand will be vital.
- Print production: Minimum standards for content and quality of print are required.
- Advertising agency liaison: Need skills and expertise in the areas of media planning, creative development and execution etc. Consistent messages from JTB to agencies and customers via promotional material are vital.
- Web development: Need a web master to oversee development of new web site.
- Operational planning: essential that market research findings be used effectively to guide decision-making and plan the deployment of resources
- Communications: The JTB exists for its partners and must communicate effectively with them.

8.3 RESEARCH

At its most basic level, marketing starts with knowing who your customers and your competitors are, and in which market you operate. When information is not available to guide decision-making, resources are frequently misdirected.

Section 4.5 sets out a recommended market research programme to be managed by the JTB. In most cases, market research projects will be outsourced to specialised market research companies. The role for the JTB will be to identify where there are information gaps and commission and oversee appropriate research studies to fill the gaps.

A qualified practitioner with the capabilities of designing and assessing research studies will head up the new Market Research and Planning function. Support staff will come from a market research background and will have strong analytical skills.

Customer, competitor and market information must also be made available to JTB partners, members, and the industry to guide and inform their decision-making. Effective communication of important data will be an important function for the new Market Research department (in co-operation with the Communications Directorate).

8.4 PLANNING

Market research is an essential support to market planning. The Planning Section in the new JTB structure will provide a cohesive framework to ensure that the strategy is delivered through country or segment specific operational plans.

Annual operational plans will be a key focus for the planning department. Research findings and availability of access transport are two of the main inputs into marketing planning. The marketing sub-strategy will guide annual operational plans.

8.5 COMMUNICATION

Good communication is a vital ingredient in every relationship. The relationship between the JTB and its various partners (Ministry, trade, airline) is a critical factor in insuring that the partnership for marketing, discussed in chapter 9, is a successful one.

In many respects, the JTB does not exist in its own right. It exists to sustain and manage a partnership and to facilitate and support the private sector as the tourism driver that can produce sustainable growth, economic benefit and employment.

The need for more effective communication by the JTB is widely recognised. Its capacity in undertaking effective public relations campaigns needs to be strengthened as recommended in the new structure.

Specific tasks of the new Communications Directorate will include

- A regular (possibly bi-monthly) information newsletter about developments, events and people in tourism and a progress report on international publicity and promotional activities in the tourism markets.
- Regular meetings with representatives of the main sectors of the industry to share market and season intelligence and plans.
- Series of market reports based on characteristics, trends and outlook for the strategic markets and products.
- Annual report, annual review and outlook.
- An annual awards scheme for the industry to recognise hospitality.

9. THE PARTNERSHIP FOR MARKETING

9.1 BACKGROUND

The core task of the JTB is to sustain and manage the Public/Private Sector Partnership and to facilitate and support the private sector as the tourism driver that can produce sustainable growth, economic benefit and employment.

Strengthening this partnership and enhancing its effectiveness will yield profoundly positive results in terms of JTB's performance and Jordan's overall growth of the tourism industry.

At its core, partnership is about adding value and synergy through leverage. Partnerships work when there is two-way communication and a realisation from both sides that by working together, they will be greater than the sum of their constituent parts.

If resources are made available to the JTB (financial and human), it will be well equipped to deliver on its promises. There is also the challenge for partners to include the input of this strategy and the JTB into their own planning and strategy development.

Table 13
Marketing Budget JD million 2004 – 2010

International Marketing Expenditure by:	2004	2005	2006	2007	2008/	2009	2010
Public sector (2% of tourism receipts)	17.0	19.2	21.8	24.6	27.8	31.4	35.5
Private Sector (3% of turnover)	6.0	6.	7.3	8	8.8	9.7	10.7
Total	23.0	25.2	29.1	32.6	36.6	41.1	46.2

Source: NTS

Note: *Public sector expenditures are calculated at 2 percent of tourism receipts for 10 percent growth. The range is 1.5 percent to 3 percent. Private sector expenditures are calculated at 3 percent of turnover for 10 percent growth. The range is 3 percent to 6 percent. The calculation for the private sector is based on 3 percent of one third of the gross revenue*

9.2 PARTNERSHIP

The most important aspect of the Public / Private partnership is the Partnership for Marketing. The partnership for marketing is made up of

- The Ministry
- The Jordan Tourism Board
- The Trade
- The National Carrier
- ASEZA

Internal sub-national competition is destructive of and inconsistent with the effectiveness of a national and integrated approach.

**All involved in promoting tourism in Jordan, at every level,
must recognise that the competitive threats do not come from within Jordan
but from its competing destinations.**

Health, educational and other specialised forms of tourism are relevant parts of the tourism offering and should be marketed under the Tourism Jordan umbrella.

Inbound tour operators should not be competing with their counterpart around the corner but with an inbound tour operator offering a similar type of product in Egypt or Israel or Turkey etc. The NTS has identified that one of the four pillars that underpins the future success of Jordan's tourism performance is to

"Improve Institutional and Regulatory Framework"

Codes of conduct will be drawn up for the various elements of the trade from hotels, to tour operators to tour guides to restaurants etc.

Aqaba and Jordan are not competing for tourists. It is irrelevant to consumers who ASEZA or JTB are; consumers are interested in what's on offer as a holiday experience, not the administrative bodies.

Aqaba and its range of tourism products are an essential part of the NTS and Marketing Sub-Strategy. Close partnership between JTB and ASEZA is not just recommended, it is imperative. ASEZA, as a key marketing partner, can develop an independent strategy for Aqaba that is consistent with the NTS and the core principles of its integrated approach and partnership. This is possible by recognising Aqaba as a key centre that will develop a destination strategy while co-operating fully as a partner in the national strategic objectives. Within the partnership there is room for diversity of market focus and Aqaba, because of the freedom it enjoys with its airport and economic status, can tap into markets that other areas in Jordan cannot.

Consistency with the national strategy will be particularly important where "destination Jordan" must be the priority unified image under which Aqaba is successfully promoted.

A good example of how the partnership approach has worked to the national and regional benefit is the example of Shannon Development and the Irish Tourist Board. Shannon Development is Ireland's only dedicated regional development company. The company's brief is to develop industry, tourism and rural development in the Shannon Region.

Despite having its own international airport, special economic status, its own budget and administrative structure, it has long since recognised that by working in partnership with the Irish Tourist Board and the other tourism marketing partners (trade, airlines, Ministry etc), it can get greater return on its marketing spend and tourism in the region has benefited greatly using this approach.

ASEZA should always participate as part of the JTB stands where this facility is available and never remain independently aside which will fracture the benefits of the strong national image recommended by the strategy as well as diffuse scarce resources.

ASEZA should ensure that all marketing support is based on the partnership model, consistent with the national objective of public/private sector burden sharing. In developing web and other networked facilities, there should be automatic links offered between ASEZA and JTB on a reciprocal basis to ensure the highest level of integration.

For the trade generally, long-term relationships with tour operators are central to maintaining a presence in the marketplace. Cutting prices just to fill seats or beds may give short-term results, but if revenue is to be the new way of measuring performance, then long-term relationships are the way to go. Successful relationships require trust – this comes with time and understanding.

9.3 JOINT MARKETING ACTIVITY

The tasks of marketing Jordan can be considered in three bands:

1. Destination marketing is implemented through a diverse programme that includes advertising, promotions, events, publicity, education and communication. It provides an umbrella under which more specific marketing becomes effective. It is funded dominantly by public investment from Government.

2. Product Marketing – promoting the products of Jordan to the niche and specialised markets for which these products are determining motivators. A shared funding alliance applies here where the public/private split is a variable, depending on the objectives and targets of the strategy.

3. Direct Selling – where product providers promote and sell their own specific products or services to customers directly and through representational or central reservations systems to which they belong. This activity is funded entirely by industry.

Chapter 8 shows the need for greater resources to be allocated to the JTB. International industry standards show that the tourism industry needs to spend between 3% and 6% of their turnover on direct selling and product marketing.

9.4 ROLE IN EDUCATIONALS AND MEDIA VISITS

The new Trade Support area of the restructured JTB will look after planning and handling of trade educations and familiarisation visits to Jordan, while the Publicity and Communications area will oversee the programme of media visits.

Co-operation and assistance by way of payment in kind from trade partners to cover airline fares, ground transport, accommodation, entertainment etc is vital.

Hoteliers must recognise that the JTB is not their customer but their partner. If the JTB has organised a journalist's trip, then accommodation should be provided free of charge. Likewise, RJ should provide the airline ticket for free or, at the very least, at a very reduced price. This principal applies across all aspects of the trip.

The experience of some market based JTB representatives whereby it is easier to secure complimentary accommodation from a hotel's local or market based office rather than by dealing with the property in Jordan goes some way to pointing out the current difficulties encountered which should not be a feature of the partnership approach required to meet 2010 targets.

Chart and Table Index

PROPOSED JTB ORGANISATIONAL STRUCTURE